

AGENCY BUDGETS AND PRIORITIES FOR FISCAL YEAR 2005

(108-52)

HEARING

BEFORE THE

SUBCOMMITTEE ON
WATER RESOURCES AND ENVIRONMENT
OF THE

COMMITTEE ON
TRANSPORTATION AND
INFRASTRUCTURE
HOUSE OF REPRESENTATIVES

ONE HUNDRED EIGHTH CONGRESS

SECOND SESSION

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AGENCY BUDGETS AND PRIORITIES FOR FISCAL YEAR 2005

Thursday, February 26, 2004

HOUSE OF REPRESENTATIVES, COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE, SUBCOMMITTEE ON WATER RESOURCES AND ENVIRONMENT, WASHINGTON, D.C.

The subcommittee met, pursuant to call, at 10:36 a.m. in room 2167, Rayburn House Office Building, Hon. John J. Duncan, Jr. [chairman of the subcommittee] presiding.

Mr. DUNCAN. Let me first of all apologize to the Members and staff and especially to the witnesses. I'm a little bit out of breath from running over here. In six years of Chairing the Aviation Subcommittee and now the fourth year of Chairing this Subcommittee, I think we've started every hearing right on the minute, but the Republican Members of this Committee had a meeting with the Speaker and other leadership yesterday afternoon, primarily about the highway bill, but also about things that tie into the hearing here today, and the Speaker was so concerned that he set up an immediate meeting with Andrew Card, Chief of Staff at the White House, and Chairman Young requested very specifically that I come to that meeting and make some expressions there, and so I've just done that. That meeting is still going on, so other Republican Members are still tied up.

I would like to welcome everyone to our annual budget hearing. This hearing gives members of the Subcommittee the opportunity to review the priorities and policies of the Agencies that fall under the Subcommittee's jurisdiction. Today we will receive testimony from officials representing the Environmental Protection Agency, the Corps of Engineers, the Tennessee Valley Authority, the International Boundary and Water Commission, the St. Lawrence Seaway Development Corporation, the Natural Resources Conservation Service, and the National Oceanic and Atmospheric Administration on their budgets and priorities for fiscal year 2005.

This is a long list of agencies with a lot of different constituencies and issues. The common theme that links these groups is water. The missions of all of these agencies include either the protection or the management of our Nation's water resources.

Our economic and social well-being relies upon our ability to manage our water resources properly. We use water for drinking, irrigation, transportation, electric power generation, and recreation. Water is critical for sustaining ecosystems and habitat. And Water in the wrong places at the wrong times can destroy property and result in loss of life.

To address all of these needs, we need to build and maintain water-related infrastructure, and in many cases building and maintaining that infrastructure requires support from the Federal budget. The bottom line is that, with the exception of TVA, which is self-financed, none of the agencies testifying today would receive adequate funding to protect and manage water resources under the Fiscal Year 2005 budget request.

I recently had the opportunity to review our reconstruction efforts in Iraq and oversee how we plan to spend and how we are spending the \$200 billion that we've spent thus far. People may not understand that in Iraq most of our infrastructure reconstruction is not to repair damage from the war. Most of the investment in Iraq is to reverse the effects of 30 years of an evil administration.

I understand the commitment by the Administration to address the priorities of defense and Homeland Security. I understand we have made a commitment to help the Iraqi people. But in meeting those needs we cannot neglect the infrastructure in our own country.

I support the President in his efforts to reduce Federal spending where appropriate, but I do not support cutting investments in America that have proven national economic benefits. As Administration officials, our witnesses today have the responsibility to make sure that the White House Office of Management and Budget understands how important these programs are to the Nation's economic and social well being.

According to the President's budget documents, OMB has been evaluating Federal programs and making budget decisions based on their performance. Several of the programs that fall under the jurisdiction of the Subcommittee have been evaluated by OMB and have received a rating of results not demonstrated. These programs include the Clean Water Act SRF, the Superfund removal program, and the Inland Waterways Navigation programs.

No one disputes the concept that Government programs must demonstrate results; however, the implementing agencies should be able to demonstrate the public health and environmental benefits of the Clean Water Act SRF program or the Superfund Removal Program and the economic benefits of our inland waterways. If these programs are rated "Results Not Demonstrated" either the assessment tool is flawed or the agencies charged with managing these programs are not adequately defending them.

Under the constraints of budget deficits, it is more important than ever to articulate and demonstrate the critical benefits that the programs under the jurisdiction of this Subcommittee bring to the Nation. The Subcommittee stands ready to help, but I challenge the witnesses today to also do a better job of delivering that message.

I have a lot of questions for the witnesses and I will get to those later, but I do feel compelled to bring up just a couple of specific issues in my opening statement.

First, we have a list of 492 on-going Corps of Engineers projects and studies that would be shut down by this budget request—492 on-going Corps of Engineers projects that money has been spent on. Some are in the middle of construction and so forth. These projects all have signed cost-sharing agreements with local sponsors. Under

the budget request, the Corps of Engineers would walk away from commitments it has made to communities all over America. Instead, the budget request would concentrate funding on only eight projects that the OMB has decided are a high priority. These projects and all other projects that are funded in the budget were allegedly selected on objective criteria such as a benefit-cost analysis. I find it incredible that applying any objective criteria the Administration would choose to provide no funding none at all for replacing the Chickamauga Lock on the Tennessee River.

The Chickamauga Lock is crumbling. When it fails, waterborne transportation on the Tennessee River above the lock will halt. Without that lock, not only will my home town of Knoxville be cut off, but so will Oak Ridge, which has serious national security implications. Anyone who goes there knows the importance of that project to the environment, to our national security, and in every other way to this Nation.

I won't go into that further at this time, but I will say that that is and has to be a high priority, and it is both of this Chairman and of Senator Frist and many, many other Members that know the importance of that particular situation.

I have more concerns. Administrative costs for the Superfund program are too high. There are too many Federal employees in the Brownfields program. TVA is paying excessive salaries and bonuses to executives at the same time its talking about having to lay people off. And the Clean Water State Revolving Fund is under-funded again. But I'm going to stop there and go into some of these things on questions.

I would like to turn now to my good friend and Ranking Member of the Subcommittee, Mr. Costello.

Mr. COSTELLO. Mr. Chairman, thank you. Mr. Chairman, we all recognize that you are very prompt and never late to a meeting. I want you to know that I did resist efforts on the part of my side to take the chair and reorganize the committee in your absence.

Mr. DUNCAN. Thank you.

[Laughter.]

Mr. COSTELLO. Mr. Chairman, thank you for calling the hearing today. Today the subcommittee has the opportunity to discuss the Administration's budget proposal for fiscal year 2005 with representatives of agencies within the subcommittee's jurisdiction. This oversight is critical to ensure the effectiveness of the programs we create and to meet the expectations of our constituents. The witnesses before the subcommittee today will have a difficult time convincing me that the Administration's budget adequately meets the Nation's needs and expectations for investment in critical water-related infrastructure and the environment.

For the Corps of Engineers, the budget reflects a reduction of nearly 20 percent in capital investment. It also under-funds desperately needed operations and maintenance by close to 25 percent. The budget also attempts to reconfigure the selection process by which the Corps projects are chosen for funding—implementing the newly announced Administration's priority to focus on completing projects that are already under construction, that will achieve the maximum returns to the Nation while starting a few new projects with potentially large net benefits compared to their cost.

Implicit in these priorities is a lack of support for the Congressional process of selecting and prioritizing projects for navigation, flood control, and environmental restoration that fall outside the Administration's newly created analysis.

This new priority system, if implemented, will pre-determine that certain project categories, such as lower user navigation projects and ports, will never be funded, regardless of the importance of these facilities to the local economy. This budget appears to sacrifice smaller rural areas whose less diverse economies depend on an effective Corps program.

As a result of declining budgets and new Administration priorities, over 500 Congressionally approved projects and studies will either be suspended or canceled, ignoring real needs for flood control and storm protection, navigation, and environmental restoration in communities throughout this country.

The Environmental Protection Agency programs suffer, as well. The Congressional Budget Office, the Water Infrastructure Network, the General Accounting Office, and even EPA, itself, have each documented that State and local governments will require as much as \$11 billion annually over and above the current expenditures to meet wastewater infrastructure needs over the next 20 years, yet this budget process proposes to eliminate \$500 million, a 37 percent reduction in Federal grants to States for revolving loan funds, and to eliminate 323 million in Federal funding for high priority water, wastewater, and stormwater projects. These reductions are unacceptable. Even as the Administration is applauding its commitment to wastewater infrastructure, its commitment is paltry when compared to the significant unfunded needs that EPA has identified.

The Superfund program fares no better. For the fourth consecutive year, the budget process proposes to slow the pace for cleaning up the Nation's most toxic waste sites. After averaging 73 cleanup completions per year during the previous Administration, this budget proposes that only 40 Superfund cleanups would be completed in 2005. The same is proposed during the last three years.

The budget also proposes that virtually all Federal spending for the Superfund program will be from the general taxpayers and continues the alarming trend of collecting fewer and fewer cost recoveries from responsible parties. Gone are the days when the Superfund was a polluter pays program. This budget calls for close to \$1.4 billion in general revenues from individual taxpayers and nothing from oil and gas, chemical, or the general business community. Since the Superfund taxes expired in 1995, the oil, gas, chemical, and business community have enjoyed a \$400 million a day tax break. The trust fund is now empty, and individual taxpayers have been asked to contribute nearly \$4 billion to clean up toxic waste sites of the Superfund program, all to support the tax breaks for the business community.

In addition, the January 2004 report of EPA's Inspector General's office highlighted how limited funding for the Superfund program has significantly limited the program's ability to clean up the Nation's most toxic sites, including the Jennison Wright site in my Congressional District. I have heard the explanation from the Agency that a major cause for the shortfall of the site-specific

cleanup fund comes from the fact that many of the larger, more complex Superfund sites are reaching the construction phase, the most expensive part of cleanup, and that as a result they are placing a greater burden on the total Superfund budget. Most, if not all, of these sites have been in the Superfund pipeline for decades, meaning that it should come as no surprise to any of us here today that additional cleanup dollars would be required to address these sites. We have known this for years. Yet, for at least the past four years EPA's Superfund budget has been declining, failing even to keep up with the pace of inflation. It is inconceivable to blame a lack of resources as the reason for slowing the pace of cleanup, while at the same time the Administration has slowly starved the Superfund trust fund due to a failure to adequately collect cost recoveries and a failure to call for reinstatement of the taxes to fund the trust fund.

Mr. Chairman, I am also concerned about the Administration's failure to adequately fund many of the programs that address nonpoint sources of pollution. In particular, I am concerned that the Administration's budget proposes to dramatically cut funding for EPA's Section 319 program by 29.5 million, or a 12.3 percent reduction, at the same time it proposes to zero out NOAA's coastal nonpoint pollution control program. I understand that the Administration's decision is in part due to a renewed commitment to the USDA's environmental quality incentives program; however, this increased emphasis will do little to assist efforts in addressing nonpoint sources in many urban and suburban communities. It is these sources that typically are responsible for increased levels of water pollution.

Finally, Mr. Chairman, since we are fortunate to have the chief for the Army Corps of Engineers before the subcommittee today, General Flowers, I will take the opportunity to express my deep concern with the recent allegations surrounding the selection and performance of companies contracted to perform work for the U.S. Government in Iraq. I am certain that many members of this subcommittee saw Tuesday's news report that the Department of Defense's Criminal Investigative Services has opened a criminal investigation of fraud allegations against the Haliburton Subsidiary, Kellogg Brown and Root, KBR, for potentially over-charging the U.S. Government \$61 million for fuel oils brought into Iraq. This is no longer a simple matter of audit that is being sought of Haliburton's books, but a criminal investigation brought by the Department of Defense. At the same time, we have all read stories about other examples of Haliburton's alleged questionable transactions, including overcharging for food that was never served, bribes passed to win overseas contracts, and kickbacks paid to Haliburton employees for work in support of U.S. troops.

Even more troubling is that last month, when the Corps reached a decision to replace the existing sole source contract given to Haliburton and KBR before hostilities began, the Corps awarded a new \$1.2 billion contract to Haliburton and KBR, the same company that is currently under a criminal investigation by DOD, the Securities Exchange Commission, and numerous other domestic and foreign governmental agencies.

Mr. Chairman, as I said earlier, I am deeply concerned with these allegations and the possibility that the U.S. taxpayers are being grossly overcharged for services in support of our troops overseas.

I believe that it is appropriate for this subcommittee, in carrying out its oversight responsibilities of the Corps of Engineers, that we should further explore these issues to ensure that proper decisions are being made in the management of Federal tax dollars and in support of our efforts being made by our troops overseas.

Thank you, Mr. Chairman.

Mr. DUNCAN. Thank you, Mr. Costello.

Because both Mr. Costello and I have given much more lengthy opening statements than usual, we are going to defer our questions until after all of the Members have had a chance to make any statement or ask any questions that they have on the first round, but we will, in consideration of the schedules of some of our witnesses, we will go ahead and proceed with the witnesses at this time.

I am pleased to introduce the first panel. We have witnesses, all of whom have been here before this Subcommittee before, and for all of whom I have very, very great respect.

First we have, representing the U.S. Department of the Army, The Honorable John Paul Woodley, Jr., Assistant Secretary of the Army for Civil Works; representing the Army Corps of Engineers, General Robert B. Flowers, the Chief of Engineers; representing the U.S. Environmental Protection Agency, The Honorable Marianne Lamont Horinko, who is the Assistant Administrator for Solid Waste and Emergency Response; representing the U.S. Environmental Protection Agency also, The Honorable Benjamin H. Grumbles, Acting Assistant Administrator for Water; and representing the Tennessee Valley Authority, a man who is a very good friend of mine and for whom I have very great respect, the Chairman, The Honorable Glenn McCullough.

We are pleased to have each of you with us. We will ask that you try to limit your opening statements to five minutes. We will give you six minutes, but then we will have to cut you off in respect to the other witnesses.

Secretary Woodley, you may begin.

TESTIMONY OF HON. JOHN PAUL WOODLEY, JR., ASSISTANT SECRETARY OF THE ARMY (CIVIL WORKS), U.S. DEPARTMENT OF THE ARMY, WASHINGTON, D.C.; LIEUTENANT GENERAL ROBERT B. FLOWERS, CHIEF OF ENGINEERS, WASHINGTON, D.C.; HON. MARIANNE LAMONT HORINKO, ASSISTANT ADMINISTRATOR FOR SOLID WASTE AND EMERGENCY RESPONSE, U.S. ENVIRONMENTAL PROTECTION AGENCY, WASHINGTON, D.C.; HON. BENJAMIN H. GRUMBLES, ACTING ASSISTANT ADMINISTRATOR FOR WATER, U.S. ENVIRONMENTAL PROTECTION AGENCY, WASHINGTON, D.C.; AND HON. GLENN L. MC CULLOUGH, JR., CHAIRMAN, TENNESSEE VALLEY AUTHORITY, KNOXVILLE, TENNESSEE

Mr. WOODLEY. Thank you, Mr. Chairman. Mr. Chairman and distinguished members of the subcommittee, I very much appreciate this opportunity to testify before the subcommittee on the

President's fiscal year 2005 budget, the Civil Works function of the Army Corps of Engineers.

I am accompanied this morning by Lieutenant General Robert Flowers, the very distinguished 50th Chief of Engineers.

With your permission, Mr. Chairman, I would ask to summarize my statement and ask that the complete statement be included in the record.

Mr. DUNCAN. All of the witnesses may summarize their statements, and their full statements will be placed in the record.

Mr. WOODLEY. You are very kind.

The total fiscal year 2005 Civil Works budget is \$4.2 billion, about the same as last year's total budget; however, to develop this year's budget we began the use of a performance-based approach built around programmatic goals for our eight business programs. This approach has enabled us to make effective use of the limited funding available to us while the war on terror continues. A great deal of hard work is in store as we improve on this approach in the coming year, but we are fully committed to this effort.

For new projects, the budget focuses on commercial navigation, flood and storm damage reduction, and aquatic ecosystem restoration. The budget directs substantial funding to ongoing construction projects that have among the highest economic and environmental returns for the Nation, including 11 projects that are being completed in fiscal year 2005, eight projects that are high priorities, and a number of dam safety and seepage correction projects. The budget also funds three high-return construction new starts.

Funding to plan or design new projects this year is limited and is targeted to the most productive study and design activities, including five new studies, twenty-three design efforts, and the current phases of ongoing studies, including the expanded Louisiana coastal area study.

The budget does not, Mr. Chairman, include any funding this year for beach renourishment. Our view is that non-Federal interests should carry out renourishment activities once the original initial nourishment has been completed, and similar to the manner in which they operate and maintain other types of projects once our installation is complete. This policy applies to all types of projects involving beach renourishment, with one exception in fiscal year 2005 where we are obliged to perform renourishment to meet obligations under a court order.

To free up funding for higher priority needs, the budget proposes to cancel the unobligated balances of projects that are not the best investments or are not Civil Works responsibilities. These recommended cancellations, if approved, would take effect with the enactment of fiscal year 2005 appropriations. The amount that would be canceled is estimated at about \$100 million.

The budget also includes a number of initiatives for the operation and maintenance of our existing projects. We would finance up front the operation and maintenance costs of hydropower facilities with funds provided by three Federal power marketing administrations. Second, we would accomplish recreation modernization by using new fees and by entering into planning and management partnerships. Third, we will continue anti-terrorist protection at key projects and facilities. Fourth, we would reserve funds, a stated

set of funds, to accomplish unforeseen and urgent maintenance and repairs at key projects.

The budget provides substantial funding for the emergency management program and for the regulatory program, which have been judged as moderately effective using performance metrics.

For the five initiatives in the President's management agenda, we started 2002 with red status ratings across the board. The status rating for the human capital initiative is now yellow. We have green or yellow progress ratings for all five initiatives.

As I testified before, Mr. Chairman, I have three priorities in mind for the Civil Works program of the Corps of Engineers. You will see these priorities reflected in part in this budget, and to a greater extent in the budget for the next fiscal year. One priority, as I have mentioned, is to develop a Civil Works budget and manage the program based on objective performance measures. The second priority is to improve the analytical tools that we use for water resources planning and decision making. The third priority is to improve the effectiveness and efficiency of the regulatory program.

Mr. Chairman, this is a frugal budget that reflects the priorities of a Nation at war. Understandably, it does not fund all of the good things that the Corps of Engineers is capable of doing, but it does move ahead with many important investments that will yield enormous returns for the Nation in the future.

Thank you, Mr. Chairman.

Mr. DUNCAN. Thank you very much.

General Flowers?

General FLOWERS. Sir, I am honored again to be testifying before you, along with the Secretary, on the President's fiscal year 2005 budget for the Army civil works program. Today, thanks to this subcommittee's strong support, the civil works program is balanced, responsive, and highly productive. I look forward to your continued partnership in this important program so broadly beneficial to the Nation.

I will summarize some of the points in my complete statement.

First, a word about the President's budget and the value of the civil works program to the Nation's economy and the environment. This budget funds the critical water resources infrastructure that has improved the quality of our citizens' lives and provided a foundation for the economic growth and development of this country. Our projects for navigation, flood protection, ecosystem restoration, hydropower generation, and recreation directly contribute to national economic well-being. The sum of benefits realized as reduced transportation costs, avoided flood and storm damages, and improvements in environmental value is considerable.

I'd like to share some numbers with you that illustrate the direct effect of the civil works mission. First, the navigation program you fund enables 2.4 billion tons of commerce to move on navigable waterways. The U.S. Department of Transportation estimates that these cargo movements have created jobs for 13 million people.

Second, Corps flood damage reduction structures have saved lives and property loss. Taxpayers save \$21 billion in damages every year.

Third, almost all of our construction work and well over half of our civil planning and engineering is completed by private industry contractors funnelling money directly into the economy.

This budget also includes funding to support watershed studies. These studies will allow us to work collaboratively with many stakeholders. With the complexity of water problems today, we believe this is the direction we must take to develop the best, most comprehensive solutions.

About our backlogs, we estimate it will cost approximately \$11 billion to complete the construction projects funded in the fiscal year 2005 construction general budget. Our maintenance backlog continues to be a challenge. You can see from the numbers that I just shared with you that the work the Corps is completing on our infrastructure is a critical element in a strong economy. Sustaining this level of service becomes more of a challenge as our infrastructure ages. The fiscal year 2005 budget includes \$1.926 billion for the operation and maintenance program. I can assure you that I will continue to do all that I can to make these programs as cost effective as possible.

I'd like to speak about Corps transformation. There are many interested in transforming the Corps inside and outside the organization. Some may have the larger goal of changes in current water policy in mind. Others may want us to operate more efficiently and effectively. What I'd like to make clear is that we in the Corps are listening. I have met with individuals, industry groups, and interest groups to hear what they have to say. The Corps is undergoing sweeping changes as a result of our customer and stakeholder input. We are becoming a team of teams within the organization focusing on eight regional business centers which will more efficiently deliver service to the public and the armed forces.

Let me assure you I am committed to working with you and all who are interested and to doing all in my power to transform the Corps to meet the Nation's needs.

I am very proud of the civil works program and its support to our national security strategy. Corps civil works experience is proving invaluable as soldiers and civilians of the Corps help to rebuild Iraqi infrastructure. To date, over 1,000 civilian members have volunteered to serve in Iraq, sharing their knowledge and expertise with Iraqi engineers and other professionals assisting the Coalition Provisional Authorities and the Combined Joint Task Force in repairing and rebuilding the Iraqi infrastructure.

The Corps is committed to staying at the leading edge in providing service to the Nation, and I truly appreciate your continued support to this end.

Thank you Mr. Chairman and members of the committee. That concludes my statement.

Mr. DUNCAN. Thank you very much, General Flowers.

Ms. Horinko?

Ms. HORINKO. Good morning, Mr. Chairman, members of the subcommittee. Thank you again for inviting me to speak before you about the President's fiscal year 2005 budget for Superfund, brownfields, and the other programs that fall within EPA's Office of Solid Waste and Emergency Response.

The President's budget provides the necessary funds for EPA to carry out our mission efficiently and effectively to protect human health and safeguard our natural environment. I have been particularly fortunate in the past three budget years. Cleanup programs in my office have enjoyed a nearly \$300 million increase in the President's budget request, more than doubling brownfields program funding from \$90 million to \$210 million, and asking for \$150 million targeted directly at Superfund cleanup construction.

The \$150 million targeted for Superfund cleanup construction will allow EPA to start construction projects at up to 12 additional Superfund sites over and above the projects that EPA would have started in fiscal year 2005. This much needed \$150 million increase in the President's budget will raise overall Superfund program funding to \$1.38 billion, a \$124 million increase from fiscal year 2004 appropriations levels.

I am pleased to report that as of January, 2004, cleanup construction has been completed at 892 private and Federal Superfund sites. Of Superfund sites, 93 percent either have cleanup construction underway or have completed cleanup construction.

The Superfund budget request will also fund EPA's removal and emergency response program. We have faced some unprecedented challenges in the past three years, including the World Trade Center response, the Capitol Hill and Postal Service anthrax cleanups, the aftermath of the Shuttle Columbia disaster, and, most recently, Ricin contamination in the Dirksen Senate Office Building. EPA's on-scene coordinators have been instrumental in the Federal effort to respond to these events.

To date, EPA has completed more than 7,000 emergency removal actions at toxic waste sites to immediately reduce or eliminate threats to human health and the environment.

The President's budget request also provides an increase for the brownfields program, a total request of \$210.7 million. This represents a \$40 million increase from the 2004 appropriations level. The increase in the budget request will enable EPA to further enhance State and tribal response programs that restore and reclaim contaminated and blighted brownfields sites.

EPA estimates that the President's budget request could fund up to 1,000 brownfield site assessments and cleanups, leveraging roughly \$1 billion in cleanup and redevelopment.

The budget request also provides an increase to EPA's oil response program, a total request of \$16 million. EPA's oil program focuses on preventing oil spills, reducing the risk of hazardous exposure to people and the environment, and responding to oil spills when needed. We evaluate as many as 13,000 oil spills each year and take emergency actions to respond to oil spills at approximately 300 per year.

I want to take a moment also and mention our resource conservation challenge. This is a voluntary program under the Resource Conservation and Recovery Act, or RCRA—to improve resource conservation through partnerships with businesses, manufacturers, consumers, and non-governmental organizations. We are focusing on product stewardship, priority chemical reduction, beneficial use of materials, energy conservation, and environmentally friendly design. We set a goal to reduce by 50 percent the presence

of priority chemicals and hazardous waste by 2005. Using a baseline that was set in 1991, this goal has already been met with a reduction of 53 percent. For 2008 we are developing a new goal that will also reduce priority chemicals and hazardous waste and expand the goal to all solid waste and releases in the environment.

Finally, our innovations initiative supports land revitalization, recycling, waste minimization, energy recovery, and partnerships through creative approaches. This pilot program funds innovative ideas to solving environmental challenges. For example, EPA is working with several agency regions, States, and local governments to pilot test expanding the one-call system to institutional controls so that developers can learn whether there are property restrictions due to cleanup of contaminated land.

In addition, the EPA, working with several States, have piloted a process to take pallet wood waste and convert it into flooring products, diverting many tons of waste from landfills.

We have selected 12 to 20 of these pilot projects every year, and, for a very modest investment, we are learning new and better ways of doing business.

Mr. Chairman, thank you again for this opportunity to discuss some of the important EPA programs entrusted to my office. We look forward to working with you and the members of the subcommittee toward our mutual goal of protecting human health and safeguarding the environment.

Mr. DUNCAN. Thank you very much, Administrator Horinko.

Mr. Grumbles?

Mr. GRUMBLES. Thank you, Mr. Chairman. I can't begin to tell you how much I have looked forward to this. This is an honor to be able to appear before you and Congressman Costello and members of the subcommittee. It is a bit of a homecoming, since I worked on the committee staff for many years, but it is also a chance to explain the priorities, the highlights of the budget request, and also respond to any questions or comments about the water budget.

We are extremely proud of the proposed fiscal year 2005 budget for EPA's water programs. Some people don't realize this, but it is \$2.9 billion, or 39 percent of the agency's budget. It is a substantial part of what EPA does to keep the Nation's waters safe and clean and secure.

What I would like to do, just mercifully summarize my statement and give you a few of the major themes and priorities.

The first point to make is that we believe that this budget allows us to continue to enhance our core missions and responsibilities to continue the progress under the Clean Water Act over the last 31 years, as well as the Safe Drinking Water Act and Ocean Dumping Act.

One of the key components of continuing the progress is to focus on sustainable infrastructure, and the request includes \$850 million for the clean water state revolving funds, and we anticipate that and are committed to providing that amount through 2011 to help ensure that the success of the State revolving funds continues to be a real success story.

The other aspects that I want to focus on are the themes of monitoring, conservation, and restoration. We are very proud that this

budget focuses on water quality monitoring. You'll find that the Agency has included in its budget a \$20 million national water quality monitoring initiative.

Mr. Chairman, we have listened to your committee, we've listened to GAO, the National Academy of Sciences, the other agencies, the States, and it all points to the need for more investment, more science, more water quality monitoring so that we can all as a country make smarter decisions and wiser use of our scarce resources to get a true snapshot of the status of the water quality and to mark the progress that we continue to make in terms of water quality.

I'm talking about a couple different things. One is water conservation. There's \$850,000 in the budget, but there's far more than that in terms of a priority for the Office of Water and the Agency to, in a voluntary way, encourage water conservation, water use efficiency. It is a key component of our approach to sustainable infrastructure, to help look at the demand side to reduce infrastructure costs by following the success of energy star working on a potential water star program for voluntary water efficient product labeling so people can make smart choices.

Conservation also means wetlands conservation, and we are very pleased that this budget request includes \$20 million for the State wetlands grants program. It is a \$5 million increase, and that's specifically to help meet the needs of protecting wetlands, even wetlands that aren't jurisdictionally covered by the Clean Water Act, but to help States have the tools to protect wetlands and sensitive aquatic ecosystems.

The third basic theme, restoration. When we look at areas that are so important, such as the Great Lakes or the Chesapeake Bay or across the country at impaired watersheds, what it means to us is that there needs to be a collaborative effort to focus our resources and tools to develop partnerships with the 4,000-plus watershed organizations across the country, the States, localities, non-profit, the NGO sector to work towards cleaning up impaired water bodies. There's \$45 million in the budget request specifically for the Great Lakes Legacy Act, which this committee, Congressman Ehlers, Congressman Oberstar, and others were so integral to getting enacted. That's real money. It is an important investment. Chesapeake Bay also has a major budget initiative included in our budget, as well as the targeted watershed grants program.

The last point is simply that we believe that by focusing on monitoring, conservation, and restoration, continuing to enhance our core mission and looking for collaborations and innovation through water quality trading, as well as through this water star program, we think that we are on the right path, and we look forward to working with you and all the other members of the committee, and I look forward to responding to any questions or comments.

Thank you.

Mr. DUNCAN. Thank you very much, Administrator Grumbles. Chairman McCullough?

Mr. McCULLOUGH. Thank you, Chairman Duncan and members of the subcommittee. On behalf of the TVA Board and our employees, thank you for this opportunity to review TVA's programs and priorities. My name is Glen McCullough, Jr. Director Sky

LaHarris, Bill Baxter, and I are committed to making TVA a more competitive corporation as we prepare for the marketplace of the future. TVA serves 158 local power distributors, 62 directly served customers, and 8.5 million people in the Tennessee Valley. We serve them each day by providing affordable, reliable electric power, environmental stewardship, and leadership in sustainable economic development.

A corporation of the Federal Government, TVA is entirely self-financed. We receive no funding from Congress.

The year 2003 was a year of challenge and opportunity. TVA is meeting the power needs of the Valley with its unique and flexible mix of fossil, hydro, and nuclear generation, our portfolio of renewable energy sources, coupled with a strong transmission system. For the fourth consecutive year, TVA's transmission system operated at 99.999 percent reliability. That means the total outage time experienced by people in the Tennessee Valley was about four minutes last year.

The TVA nuclear program continues its focus on excellence. The Browns Ferry Nuclear Unit One restart project is performing to plan and it is 41 percent completed, which puts it slightly ahead of our 60-month baseline schedule.

Along with traditional forms of power generation, TVA is now in the fourth year of offering green power to the people of the Tennessee Valley. In this program, TVA and local power companies work together to provide electricity from clean, renewable sources such as the sun, wind, and methane gas.

TVA remains focused on our environmental responsibility. By the end of this decade, we will have invested over \$5.6 billion. It's one of the most aggressive emission reduction programs in the Nation. TVA's environmental responsibility includes management of the Tennessee River and its reservoir system. It is the fifth largest river system in the Nation. In so doing, we balance the benefits of navigation, of flood risk management, power generation, of recreation, water supply, water quality, along with public land management.

Part of TVA's core mission is to promote economic prosperity in the Valley. We do this by supporting community development which attracts new investment and help existing business and industries grow and succeed. In January of this year, the Board approved the finalized TVA strategic plan. This plan provides a framework for TVA to adapt to meet the changing market environment. Part of this plan is a debt reduction goal of at least \$3 billion to be achieved over the next ten to twelve years. TVA's outstanding balance of bonds and notes has been reduced by over \$4 billion since the beginning of 1997. As a result, debt service that once consumed \$0.34 of every revenue dollar is today just \$0.19. Our power sales have increased on average of 3 percent during the past decade. To keep pace with this growth, TVA has added more than 4,600 megawatts of generating capacity over the past nine years. We've also entered a power purchase agreement with independent power generators.

With power demand in the Valley expected to grow about 2 percent annually during this decade, the TVA, I want to ensure you,

will continue to explore a full range of options available to meet this need.

TVA is preparing for the future in a number of ways. We are delivering affordable, reliable electric power. TVA is meeting our environmental stewardship mission. We are supporting sustainable economic development throughout the Valley. We are doing all of this while reducing debt.

TVA continues to set and achieve performance goals. We are continuing to improve operations. We look forward to continuing to work with Congress, with this subcommittee and full committee, with the Administration and stakeholders on issues that will shape the future of the Tennessee Valley.

It is an honor to be before you, Mr. Chairman, and the members of the subcommittee, and I look forward to your questions.

Mr. DUNCAN. Thank you very much.

All the witnesses have made very fine statements. We will go now for any statements or questions that he has to Mr. Miller.

Mr. MILLER. Thank you, Mr. Chairman.

Mr. Secretary, it is good to have you here, and General Flowers, once again I am glad to be in your presence. You've done a wonderful job in California and have always been of great assistance. And Colonel Thompson deserves a promotion, but if you can promote him and keep him in California it is the best of both worlds as far as I am concerned.

I just can't praise the Army Corps for being responsive. I know you have had difficulty in recent years with budget problems based on the demand you have. One question, Mr. Secretary is, I am disturbed by the fact that the budget proposal seems to suggest that many studies and projects that are currently ongoing will be halted and stalled for an indefinite period of time based on this current budget, and such projects that are out there, the majority have non-Federal funding. It's private dollars put out there that they are looking to, they got to do their portion. What do you suggest we tell these people when we're not holding up our end of the agreement on these issues?

Mr. WOODLEY. The budget we produced is a frugal budget that makes hard choices, and the work that we're having to suspend are those hard choices. There's certainly no question, as I said, that we are funding all the things and able to fund all the good things that the Corps of Engineers can accomplish, and the point you raise is very salient and very much a part of this budget. We have to explain that we have a Nation at war in a time where our civil works budget is going to have to be very frugal.

Mr. MILLER. I appreciate the fact that we are at war, and we do need to prioritize that. The problem we face in California—and, General Flowers, you know this—I spend more time on the phone with the Army Corps of Engineers and Fish and Wildlife because of the problems we have in California. One problem we're trying to deal with is making sure we provide jobs in this country. You're an integral part of that, especially in the procedural part.

General Flowers, what is your current backlog in construction projects, and how do you think this current budget is going to impact that? I know that's an off-the-wall question that's a difficult one, but I know you have a tremendous burden out there and we're

continually calling on you, and you have never refused assistance when you could do that. Do you have any idea where we are at on these issues?

General FLOWERS. Sir, I do. I'd like to provide specifics for the record on the backlog.

[The information received follows:]

The FY 2005 budget includes about \$1.3 billion for specifically authorized projects supported by the Administration for construction. The balance of funding needed to complete these projects after FY 2005 is slightly less than \$11 billion. This is a significant reduction from last year's figure of \$23 billion, largely because this year's figure is expressed in constant-value dollars rather than inflated dollars and does not include the Federal share of beach renourishment costs.

General FLOWERS. You are absolutely right. We have a tremendous amount of work that has been appropriated, a lot of construction work that has been begun that we are, under the current budget, going to have to take a very hard look at and a new approach on how we stretch the dollars that we are given, and backlog in maintenance and repair now is, I think, well over \$1 billion of critical maintenance that needs to be done, and we are going to do the absolute best job we can with the resources we are given to maintain the projects and the system that we are given to maintain, and at the same time take care of the public that we serve.

Mr. MILLER. Well, Mr. Chairman, we just completed a hearing with the Administration on transportation projects and transportation needs in this country, and we both have a high concern about what we are doing there. I have a tremendous concern on this budget. I know the demands we place on the Army Corps and I know what they try to deliver for this Nation and for California and your State also, and I think we need to do what we can to look to other sources to see if there is any way of shifting some additional funds to help them, because they do need the help and we do need their help. So I would encourage you to do everything we can in that vein.

Thank you all very much.

Mr. DUNCAN. Well, thank you very much.

Mr. Taylor?

Mr. TAYLOR. Thank you, Mr. Chairman. I want to thank all of our panelists.

Secretary Woodley and General Flowers, I had the opportunity to speak with you before the meeting, and I was amazed when you said that you had 600 civil works employees either uniform or non-uniform over in Iraq. I voted for the use of force, and therefore I share in the responsibility for the cost in human lives and for the cost in dollars. My question is: are those billets being billed to the Iraq fund or does that come out of the normal Corps operating fund? I think for the sake of being honest with the citizens, I am asking this question. Is this fund coming at the expense of things that aren't being done in the States?

General FLOWERS. Sir, it is a great question. All of the work that is being performed over in Iraq and Afghanistan is being funded by funds that are earmarked for the efforts in those theaters.

Mr. TAYLOR. OK.

General FLOWERS. We are not taking any of this money out of civil works appropriations of any sort.

Mr. TAYLOR. I know your deputy commander for the Mobile Corps, Colonel Corrigan, is over there now, so when you lose any key people it has got to affect your organization. To what extent in reality do you think it might be slowing down projects here at home?

General FLOWERS. Sir, we are taking a very hard look at that. What we are doing is rotating personnel through for about 120-day tour with a very carefully concocted plan of taking work that is required forward in Iraq or Afghanistan and performing what we can, leveraging technology here in the United States at our state-side districts and divisions, and then shipping a product back over to be delivered by a very strong footprint forward.

In some cases, funding from supplementals and military programs enable us to hire personnel specifically for those projects. What we are doing in our civil works program, our employees have done yeoman's work at covering for their fellow employees that go for 120 days. We are keeping a very close watch on what effect this has on our other programs.

To date, it has not been significant. Whether that will continue in the future, we'll work this very hard. But it is clear that the Nation's priority is winning the global war on terror, and we are working very hard to do our part.

Mr. TAYLOR. Secretary Woodley, I would direct this towards you. I have become a big fan of the way the Corps has been trying to kill two birds at one time in some of their dredging projects, to tie that in with environmental restoration, to take that dredged material and, in places like Louisiana and parts of Mississippi that are washing away through natural erosion, try to build beaches with that or to build marshes or whatever. What I have been frustrated with is the notion that the local entity has to come up with a cost share. I really have failed to see the wisdom of that. As a former city councilman of a fairly small town and as a former State Senator I think most everybody here has been in that boat—it is just unrealistic to expect cities that have problems with potholes and old police cars and States that are having trouble finding enough money to keep criminals behind bars to come up with the extra funds to do something that they would have a hard time explaining to their constituents. I really don't see where it costs us more money to do that in the first place, and I really fail to see the wisdom of requiring the local share on something that just should make abundant sense.

I mean, as someone who ran a boat for the Coast Guard on the Mississippi River, I can't tell you how many tons of material I used to see moved from one place in the Mississippi only to be dumped in another as the marshes on either side are washing away, and questioning, "Gee, why didn't they just run that discharge over the levee and do some good with it?" And so again I will ask. And I have asked this question in years past. What would be the possibility of working with you to change that language to allow us to do beneficial use without having the trouble of going and literally tincupping to the local communities to come up with some money, be-

cause more often than not the good thing is not happening and it ought to be happening.

Mr. WOODLEY. Mr. Taylor, I think we definitely should explore that possibility. In general, the cost sharing policy across the board throughout the program, is a very strong policy and one that has a great deal of underpinning, so whenever we try to make changes around the edges, it's something that's very carefully considered on all levels. But the idea that you mentioned in terms of beneficial reuse is certainly something that is coming to the forefront across the program in the dredging arena. We'd like to do that whenever, certainly, we can put it forward as the low cost alternative. It is always brought forward to the forefront, and I think that I would like to see us do more and more of it, so I certainly think the concept you raise is one well worth exploration.

Mr. TAYLOR. Mr. Chairman, if I may, I have been told that historically the reluctance to do this has been raised by OMB, and there is a place for everybody in this town. I'm not so sure that they really understand that they are being penny wise and pound foolish on this. And as someone who does have a good grasp of the issue, I would ask that you would weigh in on your side as heavily as they have been weighing in, because I think we are missing some golden opportunities. As we know, the State of Louisiana is getting ready to rightfully ask for billions of dollars to try to start rebuilding these marshes. If we can find low-cost ways of doing this, then I think in the long term we're all going to be better off. And, quite frankly, a heck of a lot of the seafood that is processed in my Congressional District is caught over in Louisiana, so my District has got a vested interest in this, as well.

Mr. TAYLOR. Thank you, sir.

Mr. DUNCAN. Thank you very much.

Mr. Baker is next.

Mr. BAKER. Thank you, Mr. Chairman. I want to express my appreciation to the gentleman from Mississippi for his kind observation, as we need help everywhere we can get it.

I'm just going to make a couple of statements, General Flowers. I don't expect a response this morning, but just to get on the record a couple of areas of concern.

First, my deep appreciation to the Corps for the good work they do in south Louisiana. It is extremely valuable to us, and we are, indeed, appreciative.

I've got two relatively I hope minor points. One is relative to section ten of the River and Harbors Act. It has been around for about 100 years, and just recently for the first time in that 100-year life span of that act the Corps has issued, pursuant to that authority, a cease and desist order on a site 14 miles away from the nearest waterway on the basis that the activities on the site were threatening the waterway's navigability by result of siltation. It was a troublesome conclusion reached.

The reason why I bring it to this forum is that we wrote back in September from Congressman Tauzin and myself a request for clarification on the matter. To date we have not received a response and have extended an invitation for a site visit by the appropriate person, and both Congressman Tauzin and I would welcome them down to better understand the reasons for and perhaps

find a way to solve this program just in one landowners instance. There is now over \$2 million in timber cut on the ground, which the owner of is not being allowed to enter the site and collect his property.

The second issue goes to what is known as the Swank Decision of the Supreme Court on the migratory bird rule of the Corps. It was expected in 2001 that the Corps and the EPA would join together and issue regulations to help clarify the implementation pursuant to the Court finding. It has just been recently announced that we do not expect those regulatory guidelines to be issued now until 2005. The difficulty is landowners who happen to have isolated wetlands are not sure whether they will be designated as jurisdictional if they are connected to a navigable waterway even through a manmade ditch. We are not trying to dictate outcomes, we just need a decision. If it is possible to have that clarity provided, it would be most helpful.

Mr. Chairman, both of these issues point out the frustration, particularly those in States like Louisiana, with the uncertainties about wetlands regulation. I want to announce my intention to introduce legislation to help clarify some of this issue, Mr. Chairman, and look forward to working closely with you to provide the leadership to get us some relief from regulatory difficulty.

I'm going to quickly turn to Mr. McCullough because I know my time is limited, and express to you, Mr. McCullough, my appreciation for your past meetings and work at the TVA, now having been there just two years. My comments are not so much directed to the activities of the immediate past but the long-term problem and my stated concerns to you relative to the Authority's financial condition.

A recent development was the preparation of a strategic plan that I took great interest in, noting that we were moving forward, but in laying the strategic plan goals alongside budget information provided in the President's budget and other documents, I have concerns. Recent statements by an official of the TVA indicated debt last year was reduced by \$1.6 billion. When you get into the particulars, it is clear that there was a pre-sale of power to Memphis Light and Gas for \$1.4 billion, and, pursuant to the terms of the sale, it appears that \$1.4 billion was applied to statutory debt reduction.

The trouble is the pre-sale of power that is similar to a telecomm's indefeasible right of use, meaning there was a telecomm that recorded in a current revenues quarter estimate revenue reports the sale of broad band capacity to another party for a telecomm system that had not yet been built. That was troubling, and that was gap compliant, I was surprised to find out. In this case, we are pre-selling power to another utility over a ten-year term and taking the \$1.4 billion to reduce statutory debt to stay under the \$30 billion Congressional cap, and shifting it over into another pot called "alternative financing."

Now, if I have a car note and I pay it off with my credit card, I'm really not that much better off. What I'm worried about here is the appearance that the financial condition has improved when you really get down to the numbers, as best I could do it—and I don't have the claim to understanding all of this, but it looks like

there is a real world reduction in debt from 2003 to 2004 of about \$10 million.

What is even more troubling is that, looking to actual past budget numbers and projected budget numbers for 2003, 2004, and 2005, if you lump together alternative financing debts and statutory debt categories, the enterprise is in excess, Mr. Chairman, of the \$30 billion cap established by Congress. And it is not a debatable question. The only debate is whether alternative financing is debt or not.

Now, if I owe my next door neighbor some money, it may not be a mortgage on my house, but I feel like I've got a debt, and I think we need to have some of this clarified.

Secondly, with regard to the three idle nuclear facilities along the point of my attention, I was worried that we never had a plan to amortize the debt if the facilities were not to be made operational. In fact, site one at Brown's Ferry now has been made operational, but at a cost in excess of \$2 billion. We have two other units at Brown's Ferry, then we have Sequoia and then we have Watt's Bar.

We need to have, Mr. Chairman, I think, a clear understanding, if these facilities are to be made operational, the total cost represented by that investment, the time necessary to recoup that investment, and how that affects the long-term debt reduction plan that the Authority is attempting to implement.

Finally, Mr. Chairman, I would hope that your continued leadership on this matter—and I am very appreciative to the gentleman for calling hearings and working with us on this concern—is that we might come to some arbitrary agreement as to the standard for debt reduction that would be appropriate, and maybe have the committee review it at least semi-annually or on some regular basis to assure ourselves that when that day comes, when the TVA has to face a competitive world, that they are in a posture and financial condition capable of meeting those challenges, and today I am very concerned.

Mr. DUNCAN. Certainly we can hold a hearing and get further into that, but I think, Chairman McCullough, we'll let you respond at this time to the extent that you wish.

Mr. MCCULLOUGH. Thank you, Chairman Duncan and Mr. Baker. I, too, have enjoyed several dialogues we have had. Let me assure you that TVA is committed to reducing our debt. We are committed to reducing our debt, and we are committed to reducing all liabilities, which will give us financial strength for the future. We have made some progress.

The TVA has to do more than just reduce our debt. We've got to make sure the lights stay on in the Valley. We have to do our part for cleaner air. And we've got to keep the economy growing in the Tennessee Valley, so we've got to balance those sometimes competing demands on our business. But I will be happy to work with you in the future and be responsive in any possible way to give you greater confidence in the actions that are called for in our strategic plan.

I can assure you we want to be financially stronger in the future and to continue to keep the lights on for the people of the Ten-

nessee Valley and not to impose any threat to the \$30 billion debt ceiling that Congress has established.

Mr. BAKER. Mr. Chairman, if I might, I just want to commend the gentleman and express my appreciation for his willingness to work with us. I'm not critical of the operations, the value of the enterprise, the need of the Authority to be in the Valley doing what it is doing. We've just got to work through this one little problem.

Mr. MCCULLOUGH. Thank you, Mr. Baker. We're certainly willing to engage in that with you.

Mr. DUNCAN. All right. Thank you very much.

Mr. Costello tells me Ms. Johnson is next on this side. Ms. Johnson?

Ms. JOHNSON. Thank you very much, Mr. Chairman and our ranking member. I'm pleased that you've called this hearing.

Let me say to our witnesses, while I'm not surprised I am disappointed again that the President's budget does not include funding for the Dallas floodway extension. This is part of a larger Trinity River corridor project that will address a number of regional challenges, as you know, and most importantly flood control. It is estimated that \$68 billion worth of physical damage would occur if we had a significant flood of the magnitude that hit Houston or on the Guadalupe River over the past several years. For the people that get their homes flooded out every time, it probably feels that way to them.

The Dallas floodway extension will protect 2,500 structures in the minority neighborhoods of Rochester Park, Cadillac Heights, and Lamar. The project would also create critically important community and economic opportunities for the neighborhoods bordering the Trinity River, for downtown Dallas, and as a centerpiece of a major urban area, and hopefully the home of a new stadium on the river.

I have appreciated the Corps of Engineers' support of this project. Long before I came to Congress I was pleading about this same location for flooding when I was in the State Legislature. The Dallas flood extension has broad bipartisan support from the north Texas Congressional delegation, and I will continue to lead efforts to fund this critical project. I would hope that you would continue to work with me.

I hope that all of our help is not so much over in Iraq that we have been abandoned in the area. I met a lot of them in Iraq when I was there from that office. You know, Texas is a big State, but I'm just from Dallas, and I see this flooding and I see the signs where the water comes up to the roof of the houses and people have to sweep out each time they have one of those. At some point I would hope that we could address that issue.

I'd like to hear your feedback.

Mr. WOODLEY. Ms. Johnson, I want you to know as proud as we are of our people, especially those from Dallas and the Southwest Division that have served in southwest Asia, we are also delighted to have them back. General Creer has recently returned, and—

Ms. JOHNSON. I saw that in the papers.

Mr. WOODLEY.—he will turn his full attention to the matters that you have raised. I have been to that office and am deeply impressed with their professionalism and their commitment to work-

ing with you and with my office and the Corps headquarters to continue the progress on the projects that you mentioned. I am a strong advocate for the flood damage reduction mission of the Corps in general, and I am aware of the project that you describe, and I agree that it is a very important infrastructure and flood damage reduction project that deserves our full attention.

Ms. JOHNSON. Thank you very much. I have appreciated the efforts and cooperation from the Corps in the past.

Thank you, Mr. Chairman. I yield.

Mr. DUNCAN. Thank you very much, Mr. Johnson. Mr. Brown is next on our side.

Mr. BROWN. Thank you, Mr. Chairman. And thank you, lady and gentlemen for being with us today. I represent the area in South Carolina that runs from the coast of North Carolina down to Seabrook, so we have a tremendous amount of needs. One of my major concerns is that it seems to me that the intracoastal waterway is forgotten in the budget this year. We have some areas just north in North Carolina that you cannot get through now, and we have got some areas along our coast where there is maybe two or three feet of draft. We recognize that this is not only just for recreational purposes, but we do have barges and other commerce that uses this channel. I understand in this year's budget that there are no funds requested.

Tell me how we can proceed without deepening that channel.

General FLOWERS. Sir, the intercoastal waterway is important. We recognize that. We will do everything we can do to stretch the available maintenance dollars that we have to keep as much of the system as we possibly can. Given the frugal budget, priorities had to be established based on usage and economic return, and, unfortunately, that area fell below the cut line in this budget.

Mr. BROWN. Well, I am pretty disappointed to hear that, because I feel it is a top priority for our region, and I think certainly as we try to debate all the issues, trying to maintain the infrastructure in our Nation is a tough task, and I think, in order for us to continue to be productive and to be competitive with other countries, we have to maintain a base here at home.

Another concern that we have is beach renourishment. I understand that we have got some funds in South Carolina that were made available to match down in Huntington Island, which is not in my District but down into Beaufort County, that has been washing away and nothing has been done to restore that beach. I do not think there is any funding in this budget proposal to deal with periodic beach renourishment. I know that studies out there indicate that if a beach is renourished and if there is a tropical storm that comes in, there is considerably less damage on those beaches than on the beaches that have not been renourished, so I don't understand the cost justification by eliminating that program.

Mr. WOODLEY. Yes, sir. That is a change that is directed not at the initial project to do storm damage reduction, but at the follow-on maintenance for renourishment. The concept is to bring that category of project into the same management operational scheme as we have with other flood damage reduction projects nationwide. But I agree, it is a change and it is something that is a move away

from established expectations, and it is a product of the extraordinary frugality of our budget this year.

Mr. BROWN. To be quite honest, I see it as a cost shift, just like my good friend from Mississippi was speaking of earlier. The need is going to be there. It must be met or places like Myrtle Beach will suffer. Nobody wants to just go and see Myrtle, but they want to see the beach. If we do not have the beach, we are not going to be able to entertain the tourists when they come. I will not quote Representative Taylor, but we are certainly being penny wise and pound foolish along those lines. I know FEMA, themselves, have proven that beach renourishment really does lessen the impact of a storm, and why we would have these facts and just overlook them, I do not understand that concept. But, you know, these small municipalities, they just do not have the resources. They have enough trouble trying to find the 35 percent match in the 65/35 scheme, and for them to have to do 100 percent, it just cannot be done. So I certainly would hope that you all would go back and look over the budgets to try to find some resolve to not allow the intra-coastal waterway system to go away.

Thank you, Mr. Chairman.

Mr. DUNCAN. Thank you very much.

Mr. Costello has asked that I go to Mr. Lampson next.

Mr. LAMPSON. Thank you, Mr. Chairman. I almost don't know where to begin.

One comment that Secretary Woodley made that the budget for the Corps is about what it was last year, \$4.215 million is \$300 million less. I tell my folks at home that "about the same," they're going to laugh at me.

I spend a lot of time at the Galveston District in Texas. I represent that area. I can tell you that there is concern along the Sabine Natureship Channel, the Houston/Galveston Ship Channel, all across southeast Texas that the Corps doesn't have the ability to maintain the navigability of the intercoastal waterway and other deep draft and shallow draft channels along the Texas coastline. Companies who operate along the channel have publicly said that if the shoaling along the channels continues and they have to continue to lighten their barges and their ships to get through the waterways, business will no longer be profitable and they will be forced to relocate their facilities, most likely abroad.

This is of pretty grave importance to the guy that earns his \$28,000 a year working for the company that tries to make its living there. And it is not just for those people who are trying to earn their living, but it ought to be important to the people who live all across this country who receive the goods and services that are brought into and taken out of our country through those waterways.

The Galveston District is looking at an operations and maintenance budget shortfall of \$66.6 million for fiscal year 2005. The ASA office's reserve fund for emergency needs amounts to \$35 million. I believe this is a paltry sum that cannot possibly address the emergency needs of communities, given the lack of operations and maintenance funding, especially in the Galveston District.

Galveston in 2004 had its O&M budget under-funded by 50 percent. Now the proposed budget for 2005 under-funds O&M by \$66-

plus million. So what can I tell the businesses in my community? And we asked that before. You don't have to answer it right now. I'll make my redundant question. What do I say to those businesses in my community that say that they can no longer operate if they have to continue to lighten their ships? These businesses are increasingly saying that without appropriate funding spent on keeping the waterways in southeast Texas viable, jobs will leave that area. It increasingly sounds like under-funding the Corps' operation and maintenance budget is a continuation of the President's out-sourcing of jobs initiative. We've got to do something, ladies and gentlemen. The Galveston District has notified businesses on some of those channels there that they should not expect emergency assistance. So do I go back and tell them to start saving their money so that they can hire the dredging themselves, and cities of Beaumont and Port Arthur and Texas City and Galveston and Houston are going to have to raise those dollars, themselves, or lose the businesses? You can answer that one.

Mr. WOODLEY. I have not had the opportunity to discuss this with Colonel Waterworth, although I have been to that channel. I am not in doubt about the significance of that harbor gulf coast to our national economy, and I believe that I can speak for the whole organization when I say that we are going to do everything we can within the constraints that we have in our budget to maintain navigation in that critical region.

Mr. LAMPSON. But if you can't do it, then they must if they expect to do business in the United States of America?

Mr. WOODLEY. I would say that I will work with anyone down there that is able to bring resources to bear on this, but I think we have the primary responsibility, Mr. Lampson.

Mr. LAMPSON. Mr. Secretary, that's not adequate. That is not adequate for the constituents of the 9th Congressional District of Texas, and it is not adequate for the people of the United States of America.

Let me switch subjects for a second. Again, I sound like a broken record because Mr. Brown spoke of the same thing, the same two issues, but this proposed policy change that would shift the \$2 billion of beach project costs from the Federal Government to State and local governments, this represents the estimated Federal share of periodic renourishments for existing shore protection projects. It doesn't include projects scheduled to undergo initial construction in 2005 to 2008. Each of the non-Federal sponsors of the existing and near-term projects has made fiscal plans to raise the money for the non-Federal share, as mandated through the authorization legislation, yet I'm unaware of any comprehensive study that has been completed on this issue. You'll have to submit these, but let me just ask them for the record and if you don't mind getting them to me I'd appreciate it.

Will you provide this committee an analysis of the fiscal impact the proposed policy change will have on each of the affected non-Federal sponsors, a legal analysis of the authority of the Federal Government to drop its commitments for periodic renourishment and mitigation of damages caused to shorelines by Federal navigation projects, an analysis of the impact the proposed change will have on the Federal tax revenues, and an analysis of the impact

it will have on the environment? Again, I'll let you submit those for the record and I'll put a letter to you for that so that you'll have it the way that I asked it.

Mr. Chairman, I yield back my time.

[The information received follows:]

The first-order fiscal impacts would be to shift the Federal share of beach renourishment costs to non-Federal interests. The approximate annual renourishment costs for formerly budgeted projects total approximately \$50 million. Second-order fiscal impacts in the affected states and communities and the effects on Federal tax revenues are more difficult to quantify. However, if as we expect, most affected states and local units of government will find it in their interest to continue the renourishment phases of these projects, second-order fiscal effects are likely to be minimal.

The Civil Works program is funded with discretionary appropriations, and consequently Federal participation in any authorized Civil Works project or activity is subject to the availability of funds. In that sense, the Fiscal Year 2005 budget represents the Administration's proposal for how available Civil Works funding should be distributed. The sole known legal implication of this proposal is that, where renourishment is authorized to offset impacts attributed to a Federal navigation project, there may be an increased likelihood for non-federal interests to seek redress of these impacts through the court system.

We do not anticipate significant impacts on the environment, since we believe that most affected states and local units of government will find it in their interest to continue the renourishment phases of these projects.

Mr. DUNCAN. All right. Thank you very much.
Mr. Ehlers?

Mr. EHLERS. Thank you, Mr. Chairman. I have a couple of questions for Mr. Grumbles and also for the Corps.

First of all, Mr. Grumbles, congratulations on your new appointment. I hope the "acting" is soon removed. I have had the greatest admiration for your work. You worked on this committee, and I am delighted to see you in that position, even though I'd like to have you back in the House, as well. You've accumulated a wealth of experience on these issues over the years, and I've always appreciated both your insight and your responsiveness to our interests as priorities and requests. I wish you the best of luck and look forward to continuing to work with you.

Now that I've given all the compliments, let's get down to what I want.

As you know, the Great Lakes comprises the largest source of fresh water in the world—in fact, 95 percent of the U.S. surface fresh water. It provides drinking water to millions upon millions in the U.S. and Canada. However, the Great Lakes are plagued by contaminants from years of industrial pollution that have settled into the sediments of the tributaries to the lakes. These pollutants degrade the health of both humans and wildlife. The longer we wait to clean up the sediment contamination, the longer those individuals who eat Great Lakes fish will remain at risk of experiencing health impairments. But even more importantly, the longer we wait the more difficult it becomes to clean because the sediment would be transported into the open waters of the Great Lakes where cleanup is virtually impossible. So the cleanup of areas of concern has been extremely slow and additional resources are needed. As you know, I sponsored the Great Lakes Legacy Act, which you helped work on some years ago. It is now in effect. It was enacted in 2002. I want to thank you and Administrator Leavitt for the 2004 request of \$45 million for the Legacy Act. I really appreciate that. It is certainly an increase from last year's level of \$15 million. You have, therefore, demonstrated your responsiveness to this great need.

Now, we all know this is going to be a very tight budget year, particularly for this domestic discretionary spending. As the Congress and Administration look forward to the budget appropriations process and as decisions are made about programs and priorities, will full funding for the Legacy Act remain a top priority for you and the Administration? I might add this is a good deal, because 35 percent of the money comes from non-Federal agencies, and so you get a lot of extra money for the buck.

Mr. GRUMBLES. Congressman, thank you for the kind words and the question. I remember at a hearing about two years ago or a year ago where you specifically asked the EPA to take back the message that you wanted the 2005 budget request to be for full funding, or at least more than \$15 million. We feel very proud of that increased funding and recognize that the needs are enormous in terms of the areas of concern and other aspects that challenge the Great Lakes.

Carrying out that \$45 million, getting to real work towards whether it is four to six actual cleanup projects, continuing on, and

making more progress, it will continue to be a high priority of the Administration. Administrator Leavitt is extremely focused on the Great Lakes, knowing the Legacy Act and the course it lays out, and also the challenges ranging from sediment to invasive species and the need to collaborate among the various agencies and organizations in the Great Lakes. So Great Lakes restoration and cleanup will continue to be a high priority.

Mr. EHLERS. I appreciate your willingness to put that on the record. Let me ask a follow up. Assuming the final budget for the Legacy Act is full or close to the full funding of \$50 million, how will the EPA determine the areas of concern which will receive funding assistance for cleanup? What is the process going to be and how will you set the priorities?

Mr. GRUMBLES. Two things. One is to say that I would like to talk to Tom Skinner, the director of the Great Lakes National Program Office, about that issue because he is very engaged and involved in a strategy towards making more progress. The second thing is that I personally don't know how that is going to play out. I know that we're going to take a serious look at the sites that pose the most significant risk and follow through. I think there is a lot of good descriptive and directive language in the statute that this committee worked on about priorities and how to move forward. We look forward to working with you and the committee and others on that.

Mr. EHLERS. Could you just provide for the record a letter indicating your current thinking on what process you will use?

Mr. GRUMBLES. Certainly. We would be pleased to do that.

Mr. EHLERS. I appreciate that.

[The information received follows:]



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
GREAT LAKES NATIONAL PROGRAM OFFICE
77 WEST JACKSON BOULEVARD
CHICAGO, IL 60604-3590

MAR 17 2004

The Honorable Vernon J. Ehlers
U.S. House of Representatives
Washington, DC 20515-2203

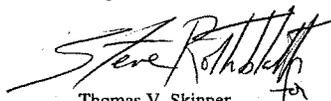
Dear Congressman Ehlers:

Thank you for your attention to and support of Great Lakes Legacy Act funding. It is indeed a high priority for the Agency, as reflected in the President's Fiscal Year 2005 funding request. It is also a focus of Administrator Michael Leavitt.

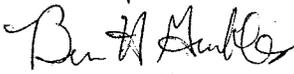
This letter is our response to your request for an update on how sites will be selected for Legacy Act funding. Sites will be selected in accordance with the provisions of the Legacy Act giving top priority to projects geared to on-the-ground remediation of contaminated sediments, particularly projects that would *commence* remediation no later than a year after receipt of funds. The next priority is projects that seek to move a contaminated sediment site *toward* remediation such as: site characterizations, site assessments, source identification/source control, monitoring, remedial alternatives evaluations and short-term/long-term effects analyses.

On January 29, 2004, the Great Lakes National Program Office (GLNPO) formally requested submission of projects for the Great Lakes Legacy Act. Applications are due by March 31, 2004. Applicants which meet the requirements of the Legacy Act will be evaluated for technical merit by a Technical Review Committee consisting of representatives from the U.S. Environmental Protection Agency, U.S. Fish and Wildlife Service, National Oceanic and Atmospheric Administration, and the U.S. Army Corps of Engineers. GLNPO will begin discussions with the non-Federal sponsors of all projects that the Technical Review Committee determines to be complete and technically sound, and will attempt to enter into Project Agreements for projects consistent with the prioritization described above. GLNPO will continue to negotiate Project Agreements until the \$10 million provided in the FY 2004 Appropriations Bill is expended, and may continue to negotiate Project Agreements for additional projects, in anticipation of an FY 2005 appropriation, so that additional projects can begin as soon as possible.

We will keep you apprized of progress on this important program. Should you or your staff have any questions, please feel free to contact Gary Gulezian, Director of the Great Lakes National Program Office, at 312-886-5870.


Thomas V. Skinner
Great Lakes National Program Manager

I hope this is responsive to your question.


Benjamin H. Grumbles
Acting Assistant Administrator
Office of Water

Mr. DUNCAN. Thank you very much, Mr. Ehlers.

Mr. EHLERS. Is my time expired?

Mr. DUNCAN. Yes. In fact, it is a minute over. I'm sorry. I'll come back to you in just a second.

Mr. EHLERS. Thank you.

Mr. DUNCAN. I'm supposed to go now to Mr. Blumenauer.

Mr. BLUMENAUER. Thank you very much, Mr. Chairman. General Flowers, I have been impressed with the work that your people have been doing across the country in terms of trying to deal with the issue of transformation of the Corps in terms of how it does business and how it relates to the community and how the community relates to the Corps. I am still trying to piece through exactly what this budget means. I suspect, from what I heard from my colleagues and my own research, that there may be some modest attempts at adjustment. One of the things I'm concerned about is that what we come out with at the other end provides the resources to make sure that the ground work can be done, particularly in areas of environmental restoration. It's going to solve these problems in the long run. I would hope that as we go along that we could have a dialogue with the Department, with the Corps to make sure that we are hitting those very high standards you articulated two years ago, I think, that I personally made a commitment to try to work with you to make sure the Corps had the resources and the backing from Congress to do. Feedback as we go along would be useful as we are involved with an interactive process.

I share some of the deep concerns that have been articulated already in the committee about the priorities that this budget reflects. It seems to me that in the total scheme of things we have lots of money for things that are much lower priority, including giving more tax relief to people who need it least and cutting off at the pockets some communities that may not appear to be high value but have relied upon the services that come through this budget for years. It will cost jobs. It will cause disruption. And there are communities that have few resources.

We have perennial issues in the Pacific northwest with the comprehensive view of how we are going to provide dredging services for the various ports that rely upon it, and I just want to note that this is one area that we are going to be focusing heavily on in the northwest and it has nothing to do with a lack of concern about reform. I think there are many things in this budget that are very positive. I mean, there are some projects here that, frankly, have never received careful Congressional scrutiny. They wouldn't pass tests today. The Yazoo pumps—there are a whole range of things that are expensive, of questionable environmental value and don't measure up in terms of the priorities. But I do think that we've got to work together with this committee, with the Administration, with the Corps so that we can do this in a thoughtful fashion.

I am in sympathy with much of what you are trying to do with beach nourishment, but here again it is a 180-degree turn with some communities that are going to be left scrambling. I hope that Congress does its part by no longer dropping projects out of the sky that haven't been vetted by this community that are making a Federal commitment that is hundreds of millions of dollars. So I admit

that I am pleased that the Administration has zeroed in on some of these and zeroed them out. I think there are great questions about some of the efficacy of beach nourishment, who it benefits, and how the long-term costs should be managed. But I am hopeful that what this does is that we have a process so that it isn't a political pinball machine that veers from one end to the other, that you vigorously resist projects dropping in out of the sky, that we have a long-term funding mechanism that makes sense, that we have higher environmental standards, that we protect the opportunities to really give a big picture in terms of the costs and benefits and come up with something that makes sense over time.

So I am two-thirds sympathetic to what the Administration has done, and every chance I get, particularly when it has been areas that are a little controversial, to say the least, I have been trying to give the benefit of a doubt, but we've got to work this out—the political process, the environmental work, and an overall conceptual framework that will allow it to be successful.

Mr. Chairman, I appreciate your courtesy and I appreciate what you and Mr. Costello have done to try and provide the framework for what is going on here, what you did with WRDA for a bipartisan effort, but these are things here that I think we can be fiscally conservative while we can invest in communities, and that we can give the certainty that people need to see that the Corps doesn't get caught in the middle.

I will conclude by just saying that in one of the areas that people criticize the Corps—as I have seen, there have been problems in the past, but oftentimes it is where Congress hasn't done its job or where Congress is trying to get ahead of the process, trying to jump things ahead of line, not have it authorized, not have it vetted. And with your leadership and working with these folks, I think we can take what is in this budget and make something that is constructive for the environment, for the taxpayers, and for the communities who want to serve.

Mr. DUNCAN. Well, thank you very much, Mr. Blumenauer, for your kind comments. You've made many, many good points.

Dr. Boozman?

Mr. BOOZMAN. I want to thank you all for being here. I have had the opportunity of working very closely with the Corps on a number of issues, and I want to thank you. I've always found that you all have been very professional, very helpful and also the EPA. We had a difficult situation between Arkansas and Oklahoma concerning a river issue, and the EPA was very useful in mediating that and really did a tremendous job.

I have got a question for Secretary Woodley and General Flowers. Being on the Transportation Committee—in fact, I just got out of a meeting where we were discussing reauthorization of the highway bill. One of our concerns has been the fact that we have so much congestion. It is estimated that by 2020 the truck traffic will increase by 60 percent in Arkansas. One of the things that we have been trying to do is go from a nine-foot channel to a twelve-foot channel on the Arkansas River. With this change you can carry 40 percent more product on a barge, and as a result, this help take congestion off the highways. We are concerned about helping our manufacturers, and this also is a way to lessen the cost of the ex-

pense of the transportation and help make our industries more competitive. We have been working on that, as you all know. One of the hangups has been the study. There is a study that has been going on for quite a while and lots of money has been spent, but the study doesn't seem to be reaching any conclusion. I would like for you all, to give it the study your attention to see if we can move that forward as quickly as possible.

Thank you.

Mr. DUNCAN. All right. Thank you very much.

Mr. Pascrell is next, and then we'll go to Mr. Bishop, who has to leave.

Mr. PASCARELL. I want to support the words of the Chair and the ranking member and other members of this committee. This budget that the Secretary and the General and others are here to defend is indefensible. It is indefensible for many reasons. This Administration has stood back from helping States and localities in dire need over the past three years. State after State has indicated a very, very dire economic scene. Who helps the States and who helps the localities when they are in trouble? Why don't we ask this question. Who helps the Federal Government? These things are all connected, and the folks out there are connecting the dots. Of the \$7 trillion debt that we've accumulated over the past three years, 21 percent is owned by foreign countries, approximately \$1.5 trillion, so no one is kidding anybody about this budget. We know how we got here. We're not going to get into that today because you are here as messengers. But I respect the Corps, and ever since I have been here since 1997 I have always stood in support, as everyone else on this panel has for the most part, in support of what the good men and women of the Corps do. I mean that sincerely. The record will show that.

This is serious business. What the Corps did in New Jersey was to come and look at a small river, the Peckman River. It flows through four or five towns. Nobody ever looked at it really. Twenty-five years ago they did, maybe. But because the Corps had the courage to come back and looked at that river and looked at the flood maps for that river, New Jersey discovered something—that all of its flood maps were inadequate. Therefore, development decisions had been based upon maps that were outdated. Thanks to the Corps, we woke the bureaucrats up who stay there from one Administration to the next Administration. It doesn't matter. Immaterial. So we have to formulate new flood maps.

In terms of the Peckman River—because this is what precipitated this—the Corps looked at and started the study. We got some money. The State of New Jersey put in some money. Lo and behold, it came to an agreement with the State of New Jersey for a \$4.6 million project, half by the Corps, half by the State of New Jersey, and now you're telling me you're going to stop that study? That does not make sense. Tell that to the family who lost some dear member three or four years ago in that great, great storm. Tell that to the residents along the Peckman River who lost their homes, had to rebuild.

So, Mr. Secretary, you tell me that you are going to look at priority missions, focus on high return of investments, performance based budgeting. I know that you are trying your best to deal with

what you have. Well, if you are cutting out all of these projects—in fact, I was shocked this morning when I came and found another dagger, because in the blue book of your projects you reduced the study money for the Peckman River—and I'm just using this as an example. We've got several examples. That will mean that that study would be completed in 18 years rather than in three or four years if we took that approach. You tell that to the folks along the Peckman River.

But today I arrived and looked at your chart of projects and you've zeroed it out altogether. So your blue book says one thing, this says another. Again, just an example.

I think this committee does not accept your mathematics, the mathematics of the Administration. We are going to fight this. I think it makes no sense. This is part of the greatest job stimulus that the country could have, including, as the good doctor just mentioned, transportation. You can't be a part of this. You can't partner what those above you are telling you to tell us here. It doesn't fly. It will not stand up to scrutiny. This is not pork. These are projects that are needed to save people's lives and protect those lives.

In the debt that we have accumulated, the countries that we owe, whether it is Japan or Hong Kong, wherever, that debt is going to help them improve their infrastructures. I'm worried about our infrastructures. I am worried about our environment in this country. So this is not a pleasant subcommittee meeting today as far as I am concerned. And I'm the eternal optimist and very cheerful. This is an insult to our intelligence and it is indefensible.

Thank you, Mr. Chairman.

Mr. DUNCAN. Mr. Pascrell, thank you very much.

Mr. Bishop?

Mr. BISHOP. Thank you, Mr. Chairman.

Let me just say at the outset that I find the budgets that we are looking at today to be deeply disturbing. I think taken in the aggregate the budget for both the Army Corps and the EPA are budgets that sacrifice the long-term health of our environment and sacrifice our ability to protect our coastal communities, and they do so for what I think amount to insignificant reductions in the deficit. Secretary Woodley has described these budgets as budgets that reflect the priorities and the choices that a Nation at war needs to make. That may be so, but I would have an easier time accepting that as a justification or as a rationale if this budget, the fiscal year 2005 budget that the President has given us, included money to prosecute the war. We know that the budget does not include money to continue our presence in Iraq or Afghanistan after September 30th. So I think that this reflects perhaps other priorities and other constraints, as well, and we've heard them talked about earlier today.

One more comment and then a couple of questions. I represent a coastal community. One of the focal points of that coastal community is the Montauk Point Lighthouse commissioned by President Washington. I am concerned that the very good work that the Corps has done to protect that lighthouse could be lost through an administrative glitch related to the cost sharing arrangements for this project, and I just want to urge you to do everything that you

possibly can see to it that the Montauk Lighthouse project is quickly completed. I would hope that you would be able to carry that forward.

With respect to other issues that affect the communities that I represent, I am very concerned about the Fire Island to Montauk Point reformulation study. That is a study that has been going on now for several years at the cost of some \$23 million. It is a study that is slated to be completed in December of 2004. It requires \$1.7 million to complete, and it has been zeroed out in the current budget or the budget proposal. This is a study that will protect \$1.5 billion a year of economic activity and almost \$3 billion of property value.

What do I tell the residents of my coastal communities? How do I explain to them the logic of this judgment that this seems to be—pardon the pedestrian nature of this analogy, but it seems to be the equivalent of a marathon runner pulling out of a race about 500 yards from the finish line. So how would I explain this?

Mr. WOODLEY. I'm sorry. Is that your question?

Mr. BISHOP. It was a question, yes.

Mr. WOODLEY. I would have to get back to you on that. I have an indication in my material that we are funding the project, so I have to check on my information. Right now I apparently don't have good information for you. May I do that and check back?

Mr. BISHOP. Please do, but just know that there is not funding in the budget for that project.

Mr. WOODLEY. Thank you, sir. I do appreciate that and I will look into that and get back to you.

Mr. BISHOP. Thank you. It is an important project.

[The information follows:]

The budget includes \$6.6 million for the Fire Island Inlet to Montauk Point, New York, project. These funds would be used to continue contract number 2 at the Westhampton Beach area and to continue initial construction of the West of Shinnecock Inlet reach. No funds are included for the reformulation study.

The reformulation study and dozens of other previously budgeted feasibility studies and preconstruction engineering and design efforts are not funded in the FY 2005 budget. These efforts are being suspended until the construction backlog is reduced and funds become available to continue to budget for them. The reformulation study will be resumed and completed in the future as it is able to compete for funding.

Mr. BISHOP. Lest the EPA feel neglected, the other project that is of great importance to our District is Long Island Sound. The Long Island Sound restoration project has never been funded at anything approaching the \$40 million authorized by the Congress, but this budget cuts funding by 80 percent, cuts it from \$2.3 million to \$477,000. I would be interested in knowing what the logic or the rationale for that cut is.

Mr. GRUMBLES. Congressman, I understand your position on that. I know that over several years the Administration—and I believe the previous Administration—would provide a funding level of about a million or less than that, and then there would be discussions and coordination. The appropriators and authorizers would be involved, and there would be a funding amount that would be a couple million dollars.

I can tell you that as part of the overall context of EPA's request for the water programs, we are putting a lot of emphasis on coastal estuaries. We've got a targeted—a new grants program that is for State and tribal performance grants, a \$23 million program. The criteria are being worked out for that, but that is one area where nonpoint source pollution, estuary, coastal challenges, nutrient loadings could be addressed.

I can tell you personally that as we move forward with the water quality trading initiative, we are very much aware of the success that can be attained in the Long Island Sound, saving \$200 million or more on infrastructure costs by having smarter, more collaborative approaches under the Clean Water Act to help reduce the cost of sewage treatment plants, to help reduce the loadings, the nutrient loadings, and we are going to continue to put a priority on that.

Our region one and region two offices devote FTEs and a lot of effort towards the Long Island Sound, and I just want you to know that Long Island Sound is an important part of the EPA program, the budget, and we look forward to working with you and other authorizers and appropriators on the overall water budget, including the Long Island Sound Program.

Mr. DUNCAN. Thank you very much, Mr. Bishop.

Professor Ehlers?

Mr. EHLERS. Thank you, Mr. Chairman.

I have a question about some Corps decisions, and either General Flowers or Secretary Woodley can respond. This is not the classic case that you hear all the time that I'm angry because you stopped a project in my District. This is not in my District. It's not even that close to my District, but extremely important to the area and, frankly, to the Nation.

We've all heard the old saw that an ounce of prevention is worth a pound of cure. I would maintain that's outdated. Today an ounce of prevention is worth several tons of cure. The 16-to-1 ratio is no longer valid. What I'm referring to is the Asian carp coming up the Mississippi and its tributaries and threatening to get into the Great Lakes ecosystem. If that gets in, the cost will not be small. I would estimate it would be billions of dollars of damage to the Great Lakes ecosystem, to its fisheries, to its use. It would be an unmitigated environmental and financial disaster.

In reviewing your list, I see that putting up the second barrier has been cut from it, and that one barrier you have now is a very thin line of defense. I would actually prefer to see three barriers, but just to avoid the incredible cost we are faced with if the carp get into the Great Lakes.

What is the reason for not building it, aside from lack of money? I mean, how did it get lower on the priority list to the point where it could be cut? I think that's a very, very bad decision.

While I'm at it, let me ask a second question. If you are wondering which project it is, it is on here as the Chicago Sanitary Ship Channel dispersal barrier. I assume that's the project. But the second question is: would it be better, instead of continuing these barriers which have to be maintained all the time, would it be better perhaps to simply cut off the direct route between Lake Michigan and the river and instead provide some sort of pumping mechanism to get the water they need to flow down there, to make sure that no fish, or any organisms, for that matter, could come up from the Mississippi into the Great Lakes. So a double-pronged question.

Mr. WOODLEY. Mr. Ehlers, I have been to Chicago, discussed this issue and this problem with our staff there. They are not in doubt about the significance and seriousness of it, and neither am I. As far as what our program is and how we are funding the necessary work the make sure that we have a robust barrier, I will have to get back to you on that, sir, because I have the same question you have as I sit here today.

[The information follows:]

- Great Lakes Carp Barrier

The second fish barrier is funded out of the Section 1135 Continuing Authorities Program, and as such is not specifically budgeted or mentioned in budget materials. However, the project is a high priority, and we will identify FY 2004 funding, over and above the \$750,000 identified by the Conference Committee, to complete the project expeditiously within the annual funding limitation for Section 1135.

Participants in a May 2003 Aquatic Invasive Species Summit in Chicago identified complete hydrologic separation of the Great Lakes and the Mississippi River basins as the most effective solution for preventing inter-basin transfer of aquatic invasive species. The Corps could investigate the costs, economic and environmental impacts, and effectiveness of this and other potential solutions, if provided the authority and funding for such a study. Such a study would be beyond the scope of the Section 1135 Program.

Mr. WOODLEY. I certainly agree with you that the study needs to be made to address that question of making a total interruption in that, there are two great issues I deal with in natural resources. One is the issue of invasive species and the other is the issue of endangered species. It seems that I am indifferent to almost no species. I'm either trying to spend everything I can to eradicate them or trying to spend everything I can to foster the preservation of each individual of the species. But there's no question in this case that that Asian carp in the Great Lakes would be a problem. To expand it and allow it into the Great Lakes is not acceptable, and that is—our people on the ground are not in doubt about that and share your urgency. I will have to let you know what the program is now, because I am concerned that the documents before you do not reflect that urgency.

Mr. EHLERS. I would appreciate that very much. And I'd just say if the Asian carp ever get in, your head is going to be on the platter as far as everyone in the Great Lakes is concerned. That's not a threat. It's just a statement of how great the disaster would be. There would be huge questions raised. So I urge you to deal with that, and I'm willing to help in any way I can. I'm sure I can organize the entire delegation of the States around the Great Lakes to assist you in any way we can.

Mr. GRUMBLES. Congressman, could I just—

Mr. EHLERS. Quickly.

Mr. GRUMBLES. I just want to add about the statement about head on a platter. EPA has been increasing its activities with respect to Asian carp and other invasive species. We've worked in collaboration with the Corps, provided some additional funding. Our Office of Research and Development would be providing in the President's budget funding for research for invasive species in the Great Lakes, including Asian carp. We also understand the importance of barriers and preventing the spread of invasive species.

Mr. EHLERS. And let me just mention that on this score I've introduced a bill to try to prevent aquatic invasive species from getting into the country in the first place, which is the cheapest thing to do. That bill has passed the Science Committee and is under consideration in this particular subcommittee. I hope we can get that in action soon and help out both of you with your problems.

Mr. DUNCAN. Thank you very much.

Mr. Diaz-Balart?

Mr. DIAZ-BALART. Thank you very much, Mr. Chairman. I want to thank both Mr. Woodley and General Flowers. I can have some disagreements on specific budget issues, but I think there is no disagreement of your commitment, for example, to the Everglades restoration project, which is key to the country. I also want to commend you about what I've heard today about your process of going towards performance based budgeting and towards accountability, which is so essential, whether it is for the Army Corps or whether it is for EPA or any other agency, and I look forward to continuing to see how you progress there, and I think that's one of the most important things that we can do is make sure that the money that we do receive, that agencies like yours receive, go to where it is supposed to go, and to issues that perform, not just say that they're good.

But I have a more specific question, and I don't expect you right now to have the specific answers, but if I may, last year in the 2003 omnibus appropriations bill there was a part that dealt with Everglades restoration specifically. I was able to put an amendment in there dealing with the 8.5 square mile area in the Everglades restoration project. A group of my constituents are currently being relocated to accommodate what is known as Alternative Sakes D. I know you are well aware of that, because it has been an issues for many, many years.

Some have raised, however, concerns that the legislation passed is not being followed by the Corps of Engineers. Some contend that residents are being relocated within the unprotected area and that others are being burdened by unfair property assessments and other such issues, so what I would like from you gentlemen is if you can get back to me as to making sure that that amendment is being followed to the T, making sure that the residents in that area who have been extremely cooperative are being treated according to the law, and if you could get back to me I would be very appreciative.

General FLOWERS. Yes, sir.

Mr. DIAZ-BALART. Thank you. Thank you, Mr. Chairman.

[The information follows:]

Everglades Alternative 6D

No one has been relocated within the unprotected area and no comparable replacement housing has been or will be identified within that area. This issue was raised once, when the owners of one property were offered comparable replacement housing in the protected area between the canal and levee footprints, and were concerned that the replacement housing would be flood-prone. The owners since have closed on both the acquisition of their property and the purchase of a replacement property outside the 8.5 Square Mile Area, and are in the process of moving.

The issue of property tax assessments relates to the tax structure of Dade County. According to the County's policy, once a property is purchased the increases in property taxes over the years are minimal so long as the ownership remains the same. Therefore, residents who have owned their properties a long time currently pay taxes at a very low rate. When properties are conveyed they are reassessed and the taxes increased to reflect the current market value. Consequently, when a resident moves the taxes assessed on their new property likely are going to be substantially higher than they were paying at their previous residence. There is no authority for the Federal Government to reimburse or otherwise subsidize this tax increase. Many residents have been able to get relief by qualifying for and obtaining an agricultural exemption that lowers the tax rate significantly.

To date, over 50 percent of the tracts needed either have been acquired or have executed contracts for sale. Thirty-six relocations (owner-occupants, tenants, and businesses) have been completed and 61 are currently in progress.

Mr. DUNCAN. Thank you.

Mr. Baird and then Mr. Costello, and I will conclude with this panel.

Mr. BAIRD. I thank the chairman and I thank the panel for their good work on behalf of our citizens. Your agencies do hard work on difficult subjects.

I want to associate myself with the remarks of Mr. Ehlers on invasive species. They are devastating, and should the zebra mussel, for example, get to the west coast and invade the Columbia River system, we'd have technical assistance nightmare on our hands.

I also want to thank the Corps for its work on permit streamlining. You've made progress. We have a ways to go, but I appreciate that regional help on that.

Let me talk to you if I may about a couple of local issues, and then raise a broader question. I looked through the list of proposed studies that may be canceled or suspended, and I see possible suspension of the Columbia River Channel improvement project, I see apparently suspension of the flood control project in Centralia, Washington, and on both of these projects these are projects that actually have a positive cost/benefit ratio to the consumers. I'm also concerned about a potential shortfall in the O&M budget for the Columbia River this year. If we have these major ships running aground in the Columbia River, that's going to have substantial cost.

Finally, if I may, just two other issues. One, I'm concerned about the reduction of small harbor maintenance funds. We have a number of small harbors which are the primary ports through which our fishermen bring in their catch. These are usually areas—and I'm sure this is true in much of the country—with high unemployment. Oftentimes the fish processor and the fishermen are the only major employers in the area, and they don't have the local resources to maintain these harbors. If we lose the Corps help, we lose the last remaining economic activity in these areas, and that seems shortsighted.

Finally, one other parochial issue is we are going to be discussing the issue of summer spill levels on the Columbia River, and I hope the Corps will be supportive of cost beneficial ways to protect the salmon, but at the same time preserve the ratepayers' benefits in this region.

With those local issues on the ground, let me ask a question about the process that led to this. I am not in any way a fan of the model that we pat ourselves on the back and throw money at problems and then walk away and say, "Look how much we spent; therefore, we saved things." But it is equally false to say that we cut money and therefore solved the problem. What is a cost benefit ratio study in terms of how much is it going to cost our local communities if we cut, in the name of short-term savings, the budget for harbor maintenance, flood control, etc.? Was that done on these projects, or did we just say we're arbitrarily going to set some level of financing, you have to cut projects until you hit that level, and to heck with the cost to the local communities? Secretary Woodley, could you address that?

Mr. WOODLEY. Yes, sir. I believe that we have tried to minimize arbitrariness in the way that we have set these priorities, but I think that you have to say that our analytical capabilities are not absolutely able to do the kind of ranking within and across categories that would be necessary for us to be able to satisfy all of your concerns.

Mr. BAIRD. I appreciate it, and I know there are some constraints and it is a long list, and you would be here all day if we all just picked project after project. But process-wise, when the Administration comes and says, "We want you to cut this much money," do you say back to them, "Please be aware, Mr. President or Mr. Bolten, that if you cut this, this highway could flood again; and if it floods again it costs \$40 million a day. It was closed six days over the last decade, that's \$240 million of cost that we could save if we spend a few million dollars now up front"? Do you say that to them?

Mr. WOODLEY. I would say typically yes, we would be having exactly that kind of discussion with the people that are building the priorities in the budget, it is not uncommon that we are able in the course of that to bring those concerns to the forefront and to have them addressed and to have changes made and adjustments made within our program and across other programs. We've tried to do that, sir.

Mr. BAIRD. We appreciate your doing that. I know it is tough. I guess I would just close with this. One of my frustrations with this Administration—and there are many—is that the Administration likes to pretend to the American people that they are the stalwart protectors of the public dollars. Well, each and every one of us cares deeply about our taxpayers' dollars and that expenditures be wise. But it is disingenuous and misleading to tell the people the Administration is somehow trying to save the people money and only that pesky Congress won't let them make the cuts. The reason we stand up for funding for our local communities is when I see a small harbor maintenance fund cut I see the fishermen and the processors lose their jobs. When I see a flood control project cut, I see commerce on the main arterial of the north/south I-5 corridor come to a dead stop at \$40 million a day expenditure. When I see cuts to the Columbia River channel deepening or the O&M budget, I see my workers at my ports that already in a region have 8 percent unemployment stymied, and I see shipping companies possibly going north to Vancouver Canada instead of to America's Vancouver U.S.A., and that's why we stand up for this spending. And it is deceptive to say to the American people that we are going to save you money in the short run, but in the long run you suffer the cost, but that's what this Administration does. And you're caught in the middle, and I'm sorry for that, but we respect the work you do. And I personally am not at all ashamed to say that these projects that are on this list that are going to be cut are actually worthwhile projects, and the cuts will cost us in the long run, and they are a grave mistake.

Thank you, Mr. Chairman.

Mr. DUNCAN. Thank you very much, Mr. Baird. I'm sorry we couldn't get to you sooner.

Administrator Grumbles, would you just tell us for the record a little about the Clean Water SRF Program and some of the things that have been done under that with that funding and what you think of that program and the work that has been done?

Mr. GRUMBLES. Mr. Chairman, I would be delighted to. It is a true success story that the Congress and the Administration have worked on over the years, and it is one that gives States flexibility to target their resources through Federal seed money, the grants from the EPA, to establish and operate these State revolving funds, which actually do revolve and then provide loans to communities.

One of the things EPA has been striving towards is to increase the flexibility in terms of the eligibility so that States can target those funds, not just oppressing infrastructure needs, concrete infrastructure, but also to nonpoint source pollution. I think one of the sometimes untold stories is how the State revolving funds have evolved, I think EPA and the States are also evolving and broadening the uses of the State revolving funds to meet nonpoint source, to meet a variety of other water quality challenges. There is no doubt it is a smart investment. When we propose \$850 million a year through 2011, the signal we are sending is that we are committed to the State revolving funds and to keeping that and making sure that it revolves at a sustainable level for the States.

Mr. DUNCAN. You have described it as a success, as a great success, and as a smart program. I'm sure that it is a very popular program with the States and with the people in your field at the State level, and yet last year and again this year the budget recommended a \$500 million reduction in that program. You have been very complimentary of the budget and have supported it in, I think every way that you possibly could. Did you or anybody in your office recommend that type of cut from the roughly \$1.35 billion that was appropriated last year to the 850?

Mr. GRUMBLES. Mr. Chairman, what we have done is, in collaboration with OMB, we have reached an understanding over a year ago that the most important thing was to continue to provide funding. I mean, we all recognize that the statute has not been reauthorized and that technically the State revolving fund program expired, but the Congressional, the public support, and the success stories indicate that it should be continued.

What we've worked out with the OMB and the Administration was that we commit to a substantial investment and commit to a long timeframe to show that it is here to stay, at least through 2011, so that we can reach a sustainable funding level.

I recognize that there are aspects of the budget request that particularly folks in this room feel as though it could have been more. We believe that that funding level coupled with the increase in the grants to the States that we are providing, \$20 million increase so that it is \$222 million, coupled with additional programs like the targeted watershed grants program, coupled with additional funding for meeting permitting needs, plus the monitoring initiative, in totality what that adds up to is a variety of tools for the States who really do carry the tool boxes to meet the water quality requirements and the goals of the Clean Water Act. We can rely on not just the SRF, but on targeted grants programs and smarter regulatory decision making.

Mr. DUNCAN. All right. Thank you very much.

Administrator Horinko, in the past, the Superfund has been roundly criticized for spending such a high percentage and so much of its funding on studies, on lawyers, on administrative and bureaucratic costs, and a very low percentage on the actual cleanup work that people want done. Now the Brownfields Program has received some of those same criticisms. I'm told that the Brownfields Program now has 154 full time equivalent employees for the \$210 million in that program, which comes out to, I think, \$1.4 million per FTE. Would you tell us what you are doing to try to bring down those administrative or paperwork or bureaucratic type costs?

Ms. HORINKO. A couple things, Mr. Chairman. First of all, we actually at the moment only have 123 FTE on the ground in the brownfields program. Although we certainly support the President's request, we want to make sure we have enough people to manage all those contract dollars responsibly. But I share your concern that we keep management costs to the minimum needed to manage our dollars responsibly, so in both Superfund and brownfields we are taking a look at how our dollars are deployed around the agency to make sure that we've got the appropriate mix of skills and level of skills to manage our dollars. We are conducting an internal review, and also Congress has requested that our Inspector General do an external audit.

Secondly, the President has, of course, requested \$150 million purely in external dollars. Those are monies targeted directly to cleanup. No overhead will be spent from that \$150 million. We feel it is important to shore up that part of the program directed at construction.

Mr. DUNCAN. The fiscal year 2004 consolidated appropriations bill required our director of the EPA to conduct an audit of Superfund expenditures and to try to direct money away from the administrative costs and management costs more toward cleanup, the very thing I was just talking about. Where do you stand in regard to that audit? Has that audit been started yet?

Ms. HORINKO. I am not aware that that has commenced, but I will look into it with our Inspector General's office and see where they stand. We, as you know, just got the budget and are putting our operating plan together right now, so if it has not commenced, I expect it to commence within weeks.

[The information follows:]

In response to Chairman Duncan's question concerning the status of a Superfund program budget audit required by the Fiscal Year 2004 Consolidated Appropriations Bill, the EPA Inspector General's Office met with management and staff of the Office of Superfund Remediation and Technology Innovation (OSRTI) on Wednesday, March 24, 2004 to discuss scope and process issues associated with the start of the Inspector General's audit of the Superfund program budget.

Mr. DUNCAN. That, of course, was contained in the appropriations bill, and it certainly is something that I think needs to be done.

Mr. Costello has asked me to interrupt my questions at this point and go back. Mr. Baird has one question that he needs to ask at this point.

Mr. BAIRD. I appreciate that.

Mr. DUNCAN. That's all right.

Mr. BAIRD. That's very gracious, Mr. Chairman. I'm really asking a question that I think will be on the minds of many of us, frankly.

Many of my local communities have already invested quite a bit of money into these projects as joint projects shared between Corps and local communities and the State legislature—the flood control project I alluded to earlier. If the Corps pulls out, what do we tell our local communities in terms of the sunk costs that they already have into these projects? Do the projects just stop, and is that money therefore essentially wasted? And who do we tell them is responsible for that decision?

Mr. WOODLEY. I think, Mr. Baird, we will make every effort in every case to ensure that for projects that are in the categories you described, the waste, if any, is minimized if we have to stretch out schedules. It is not uncommon in times like we have now that projects are stretched out and time frames have to slip. It is not something I'm happy about, by any means, but I know that the Corps and the district engineers across the Nation will do everything possible and work with you and your staff and all the members of the committee and every other member to ensure that the work that we have on this cost share is brought to a productive conclusion, if not this year then as soon as possible.

Mr. BAIRD. I appreciate your commitment, Mr. Secretary. I guess the only question I would ask is I look at the list, it says "suspended or canceled." If it is canceled, then it seems to me that the Corps is walking away from it, and if that is the case, then aren't the communities kind of left holding the bag, having spent in literal cases millions of dollars on studies, etc., anticipating in a good faith agreement, and isn't that good faith agreement being breached by the Executive Branch?

Mr. WOODLEY. In any case in which that happens it is extremely unfortunate, and we will do our best to manage that in ways that make sure that we are not wasting people's funds. There's no question that there are things that expectations have arisen over time, that we are suggesting in the course of this budget that our resources do not extend to in fiscal year 2005.

Mr. BAIRD. I thank the Chair. You have a tough job telling us this. We have a sometimes more difficult job trying to explain it to our constituents.

Mr. DUNCAN. Thank you very much, Mr. Baird.

Chairman McCullough, you know this is my 16th year in the Congress, and almost from my first day in this job I started raising questions about the tremendous debt that TVA had incurred and was incurring. As you note in your statement, it later reached a point where you were spending \$0.34 of every dollar on servicing that debt. I have always been horrified by huge debt. I applaud your efforts in bringing down that debt and the efforts that you've made to the \$0.19 and so forth.

You know that I've said publicly that I think you are one of the finest, if not the finest, Chairmen TVA has ever had, and I've praised you in many ways. But I am concerned about a couple of things, and one of them is that just two days ago, in spite of my concerns about the debt, I read in the "Knoxville News Sentinel" something I had never heard of before, and that was that TVA was out-sourcing some jobs to India.

I'm going to tell you I don't know what the details are on that, but surely you're not doing that. Tell me you are not doing that. And if you are, I hope you will look for every way to stop that and get that work back into this country. I mean, here we are, you know, you're laying off some people or talking about layoffs, and I can't believe we're sending work to India or China or any place else.

Mr. McCULLOUGH. Mr. Chairman, I don't know the specifics of any potential contract with India. I do know that in our information systems organization there had been some discussion about the possibility of some cost savings that could be achieved. What I'd like to do with your consent is look into the details of this and report back to you promptly—

Mr. DUNCAN. All right.

Mr. McCULLOUGH.—because it is a specific situation that I don't know if any offshore contract has been consummated, but I will look into it and I will report back to you.

Mr. DUNCAN. I believe you are a good man and I don't believe that you would be in favor of things like that, but if that is going on, directly or indirectly, through any type of contract or anything else, then I think that you and I should work together to do everything possible to stop that. There's other ways to save money than to lay off American workers and send work to India or China or any other foreign country, and so I really want to know if that's going on, not just to India but to any country. The story mentioned India.

Secondly, you and I have had discussions before, but you know we have a respectful disagreement about these bonuses. Now, you've given bonuses in the past, some of them—you call it different things, bonuses, deferred compensation, retirement plans, and everything else. Some of them have gone up to a million or over a million dollars.

Now, I will say once again I don't believe anybody who works for a Federal agency of this government should make more than the President of the United States, and I don't believe that you have to pay excessive bonuses and salaries, even in the nuclear program, to people to get them to come to the Tennessee Valley because every article, "Fortune Magazine" said the Knoxville metropolitan area was the most popular place to move to in the whole country, based on the number moving in in relation to the fewest moving out.

It said Las Vegas and a lot of other cities had a lot more people moving in, but they had large numbers leaving. But we have large numbers moving in and almost nobody leaving. People want to live there. They'll come there for good salaries without paying million dollar bonuses to people, and especially at a time—you know, you held the rates down for years, and I applaud that, but then you came down with raising the rates three months ago and then the bonuses. This year it was \$7.8 million to 138 employees. It has been more than that at times in the past. The chief operating officer got his \$130,000 salary enhanced with bonuses that add up to a little over \$1.4 million. Anyway, you know how I feel about that, so I won't go into that further.

But now let me ask you this: I understand there's a proposal in the President's budget to appropriate money out of the Tennessee Valley fund. Is that correct? And do you agree that that violates the TVA Act?

Mr. McCULLOUGH. We have worked with our Inspector General and the Board is willing certainly to sit down with Mr. Moore and provide an adequate budget to meet the needs of his office. We've done that this year. We've offered to do that going forward. The Board's position is that power revenues should be used to fulfill the mission of the Tennessee Valley Authority, and we don't ask for any appropriated dollars from the Congress, and so we prefer to work with our Inspector General in a way that we always have to ensure his independence and the independence of that office, and we believe we can reconcile any budgetary needs that are reasonable. That's how we'd like to approach that issue.

Mr. DUNCAN. Well, in spite of my great concern about those two points I raised, I do say again I think you have done and are doing a great job, and I appreciate that very much.

I have to move very quickly. I've got just two or three other questions, and then we'll get to Mr. Costello, and we've got a second panel to go to.

General Flowers, the budget proposes 492 ongoing Corps of Engineers projects and studies that would be shut down. I mentioned that in my opening statement. That's 41 construction projects that would be canceled, 10 beach nourishment projects would be terminated, engineering and design work at 69 projects would be suspended, 131 feasibility studies would be suspended, 60 reconnaissance studies would be suspended, and 181 contract projects would be suspended.

Now, did those recommendations come from your technical and scientific people at the Corps?

General FLOWERS. No, sir.

Mr. DUNCAN. Have you ever seen anything of this or heard anything of this magnitude being contemplated to stop or cancel 492 ongoing projects in the history of the Corps?

General FLOWERS. Sir, we've, as I know you are aware, have been working our way through fiscal year 2004—

Mr. DUNCAN. Right.

General FLOWERS.—trying to make what funds we have been given stretched to meet the needs. It is very difficult. We tried to look back in our history for some times that were similar, and we had to go back too long before any of us were in the organization to find those. So no, we've not seen anything like this before.

Mr. DUNCAN. What was the reaction within the top staffers at the Corps when they looked over this list of these 492 cancellations?

General FLOWERS. Sir, it hurts. There are, as have been acknowledged by many of the Members, several great projects there and studies that the Corps would love to do and participate in. Given the amount of funds that are available, some very, very tough calls had to be made.

Mr. DUNCAN. Secretary Woodley, let me get specific. You heard me mention to some extent the Chickamauga Lock project, and a few people in here have heard me tell this story before, but several

years ago I received a call from a very prominent, successful businessman in Knoxville on Thursday who asked me to have lunch with him and talk about the Chickamauga Lock. I said, "Well, I happen to be flying back to Washington at 1:50 on Monday." I don't know why I remember the time, but I do, on that particular day. So I show up at this restaurant near the airport thinking I'm going to have lunch with one or two people about this project. There were over 100 businessmen there. I didn't get to eat, which I should skip lunch a little more often than I do, but I had to sit there and listen to, just on the spur of the moment, over 100 people, just one right after another, stand up—maybe not all 100 of them spoke, but a great many of them got up and did one-and two-minute presentations about how much that would affect east Tennessee.

You're talking about hundreds of more tractor trailer trucks being put on an already heavily traveled interstate between Chattanooga and Knoxville if you have to shut that lock down. We've already spent \$10.4 million, is that right, \$10.4 million. Everybody who has been there—have you been down there to see that lock? Have you walked out there along that lock?

Mr. WOODLEY. Not yet, sir. No, I have not.

Mr. DUNCAN. Well, I want you to do me a favor. I want you to go down there and see that and see how some of that has crumbled. One staffer mentioned to me about how you can walk along it and actually see part of the lock crumble, some of the concrete crumble beneath your feet. And I would like you to go down there, and then I would be very interested in you coming to see me and tell me that that is not a justified or extremely necessary project for the economy, for the national security of this country. I'm not sure you could find a more necessary project in the country.

They say some of this has been done on a cost benefit analysis. That project has a benefit-to-cost ratio—I'm so used to saying cost-benefit, but a benefit-to-cost ratio of 2.1-to-1, and that's a higher benefit-to-cost ratio than 44 flood control projects and 18 navigation projects that are funded in your budget request. So I'm going to ask you here now on the record, will you promise me that you'll go down there and talk to the people there on the scene and all the people involved in that and walk along that lock and check it out in person?

Mr. WOODLEY. Mr. Chairman, I will promise you right now that I will do that at my earliest opportunity.

Mr. DUNCAN. All right.

Mr. WOODLEY. And if we could schedule it together to be there, that would be ideal.

Mr. DUNCAN. Yes. I'll be glad to.

Mr. WOODLEY. I will tell you further that I have been consulting with some of the able members of your staff who are here today. I have learned a great deal about the details of that project in recent days. My strong impression is that as an Administration we are not where we need to be in our analysis of that project and of its benefits, and that a lot of work is necessary and needs to be done very quickly to get us to where we need to be on that project. I am an advocate for and a proponent of inland waterway navigation in this Nation. I believe that it contributes enormously to our national welfare and prosperity and that it has enormous benefits

to our environment as a means of transporting goods and getting goods to market and getting not only our goods to markets domestic and foreign, but also imports into the country that are needed for our consumers on our side. So I am a proponent of that kind of navigation, as well as the blue water projects we have been discussing, and I will be deeply involved as I go forward—

Mr. DUNCAN. Thank you.

Mr. WOODLEY.—in getting our work on the Chickamauga Lock completed to where our position vis-a-vis the committee and vis-a-vis your delegation can be reconciled, and to where we can proceed with that important project.

Mr. DUNCAN. Well, thank you very much. As you know—most people in here wouldn't know—it's not in my District. It's in Congressman Wamp's District. But it is very, very important not only to him but to me, as well, and to our two Senators.

I've gone far over my time. Mr. Costello?

Mr. COSTELLO. Mr. Chairman, thank you.

Administrator Horinko, let me ask you about the Superfund cost recovery program. I mentioned in my opening statement it seems to me that in the Administration's EPA budget projection that you are indicating that you'll collect about \$125 million from responsible parties this year, and as I look at previous years and look at what the Administration projected that it would collect in this year, \$175 million, it seems to me—and I won't go through all of the details of the last several years, but it seems to me that we are going—there is a pattern here in cost recovery from responsible parties from about a 50 percent reduction actually cut in half in the last five years from 231 million a year to 125 million, and I'm wondering if you can explain why responsible parties will be paying far less this year than in previous years.

Ms. HORINKO. Thank you, Congressman Costello. I'm looking at my staff for the particular cost recovery numbers because, as you know, there are two types of money that we collect from PRPs. There's cost recovery, where we have gone out and done the work and then we sue them afterwards to recover costs, and then there's also cleanup commitments where we sign agreements with them to either perform the work or put the money into a site-specific special account that we can then access. Cleanup commitments and cost recovery was in each year in excess of a billion dollars annually, so we've had very robust enforcement numbers in Superfund, near record-setting numbers in Superfund the last couple of years, and we continue to have the vast majority of sites paid for by polluters. Last year was 8 percent of new projects that we started were funded by polluters. So I will have to get with our enforcement office and give you the specific cost recovery numbers in terms of numbers, money that we did the work and went back and sued the polluter and the money went back into the trust fund. But I know our overall enforcement numbers in Superfund have been very robust the last couple of years.

Mr. COSTELLO. Well, the reason I asked the question is we have charts that show the cost recovery here over the past several years, and you can see even from that distance that we have gone from a very high here of somewhere around 1999 to the lowest point projected in 2005, so I will be taking that up with you at a later date.

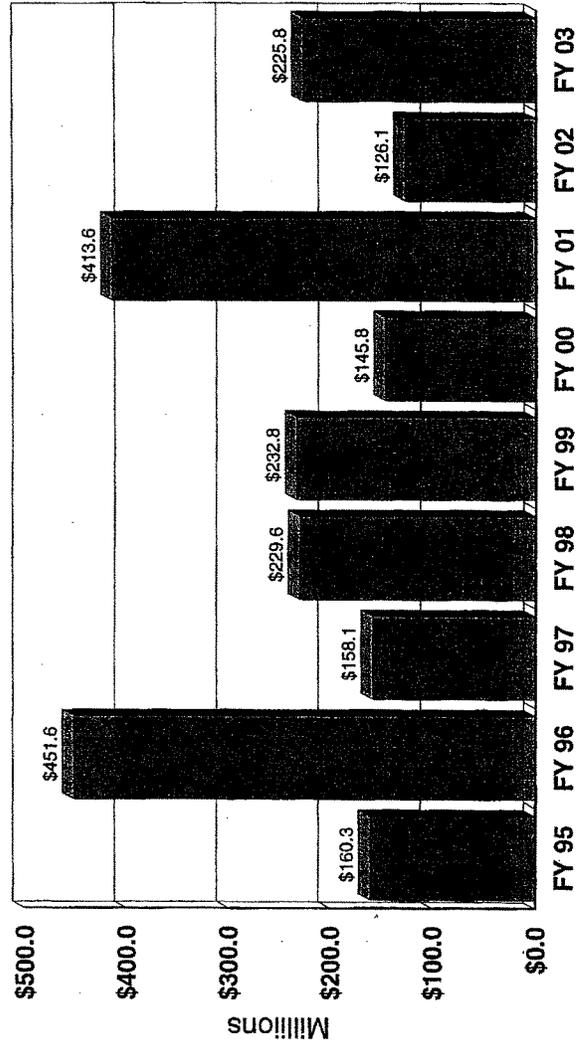
I'm interested to know why the cost recoveries are down and to compare our numbers with you.

Ms. HORINKO. Congressman Costello, one reason why that may be the case is two years ago I signed on a policy with my then colleague, the Assistant Administrator for the Enforcement and Compliance Assurance Office, saying no site could qualify for Federal fund, lead funding, without EPA doing a search for the responsible parties, the polluters, and then either signing an agreement or issuing an order to make them do the work, so we have made a strong enforcement first policy which would then preclude the need for us to do cost recovery. But we will get with the enforcement office and get you more analysis behind these numbers.

Mr. COSTELLO. We would appreciate that.

[The information follows:]

Cost Recovery Settlements National Total in Millions by Fiscal Year FY 95 - FY 03



Mr. COSTELLO. A second question very quickly, I think you indicate in your written statement that the budget provides the necessary funds for EPA to carry out its missions effectively and efficiently, and as you know the Inspector General has said that there are sites ready to proceed to cleanup but there's not enough money to proceed. I could cite other examples, but let me say that that's very difficult to—if I go home to the neighbors in the Jennison Wright site just in my Congressional District, let alone all of the other projects that have been started and then stopped—Jennison Wright, of course, I am the most familiar with because we have spent about \$28 million on that project and then have walked away from it. There's only about \$12 million needed I think is the projected cost by the Agency. So we've spent \$28 million, \$12 million to go, we have walked away from it. I would be hard-pressed to go home and tell the people in the Granite City area of my District that you have testified or the Administration says that we have enough money to carry the program out in an efficient and an effective manner. I'm just wondering, how do you reconcile that? How can you say that the Agency has enough money to proceed in an efficient manner and to address the needs when, in fact, the Inspector General says there are a number of projects ready to go, let alone the projects that we have started but haven't completed? If you'll comment, please.

Ms. HORINKO. Sure. Congressman, let me first recognize that you have been a tireless champion for the Jennison Wright site. I have met with you, my staff has met with you, and your staff, regional staff, and you have really helped to advance the cause of that site in an impressive way.

The other thing I would notice, I said that the President's budget would allow us to have enough money to allow us to do our job efficiently and effectively, and if we got that additional \$150 million that we requested last year and are requesting again this year, we would be able to fully fund the 12 new starts that we were not able to fund the last two years running, so I appreciate this committee's support in getting us part of the way this year in 2004. Thank you very much. We will keep pressing again in 2005. In the meantime, we will continue to work with you, Congressman Costello, to see if we can try and advance the ball even further at the Jennison Wright site.

Mr. COSTELLO. It is interesting that you use the words "advance the ball," because you and I had a conversation before this hearing and a person who lives in the neighborhood of this site said, you know, "I can't understand. We went from one goal line five yards short of the other goal line and the Federal Government walked away from us." So it is hard for us to explain to people that this Administration is beginning to do new sites without completing the old sites.

I will be getting together with you not only on the Jennison Wright site, but the other sites that have been started and it would take relatively few dollars in comparison to the other projects to complete.

Thank you.

General Flowers, it is always good to have you before the committee. I admire your work. We've worked closely together. and the

Corps of Engineers gets kicked around a lot at the local level and some in the Congress, but I think you all do an excellent job with the limited resources that you have.

The chairman and I had an opportunity to visit with General Johnson and your men and women in Iraq recently, and I want to compliment him and you. You all are doing a superb job in carrying out your duties in Iraq, and General Johnson gave us just a great briefing, and I think we had a better feeling or understanding of the magnitude of your responsibility and role in rebuilding the country.

Let me ask quickly—the bells just went off, and I'm sure the chairman is going to want to finish this panel. I will have questions for other members of the panel that we will submit in writing and ask that you respond.

Just a couple of things quickly. The inland waterway system has—I don't think there is any question, everyone knows that it is vital to the economy and to our national security. I'm wondering, by at least my count there's at least 13 separate studies or projects on the inland waterway system that are scheduled to be either discontinued, including some that are already under construction. I wonder, realizing that if just one single failure occurred to this aging system that it would cause a complete shutdown, why either the Administration or the Corps would discontinue or stop any one of these 13 projects.

General FLOWERS. Sir, there isn't a good answer to your question without basically reiterating what I said earlier. Not being able to complete or continue some of these worthwhile projects, studies, programs hurts. They have some tremendous benefits. But, given the frugality of the budget, we are having to make some very, very hard calls on what to carry forward and what not to carry forward. As hard as that is and as much as it hurts, we'll do the absolutely best job we can with the resources we have been given.

Mr. COSTELLO. So I read between the lines that the bureaucrats at OMB were very effective with their pencils in making recommendations to the Administration. I realize you can't comment on that, but that's my observation.

General, I have to ask you the question because we are asked in our Districts at home about Haliburton, and it is your responsibility, so I'm asking you the question now to explain to us the criminal investigation that apparently is going forward according to news reports. At what point in time did your agency determine that it was necessary to involve a criminal investigation of the subsidiary of Haliburton?

General FLOWERS. Sir, first of all, let me state that when we are dealing in the contract environment such as the one we are dealing with with Haliburton, we contracted—and you had asked me a question the last time I testified on this—we had no choice, given the nature of the mission that we had been given, the timeframe to get it accomplished in, than to go with the contractor that was already there and working, and that just happened to be the Kellogg Brown and Root company. When you are operating under a cost-plus contract in that environment, every cost that's charged to that contract is subject to audit. There is an award fee paid to a contractor based on their performance. Several factors go in. That

amount of profit that they make is based on the way they perform, etc., and so the results of the audit and everything become very important.

The allegations that the contractor overcharged on fuel are made. The auditors have been investigating. Prior to awarding the follow-on contracts for that initial contract, we had extensive contacts with our counterparts in DCAA. We reviewed the contractor's performance and the contracting authority, with input as we executed the process from other agencies, made a decision to award.

Now, that decision to award was made before the announcement of any criminal investigation of Haliburton, and so that was not anticipated at the time that contract was awarded.

Mr. COSTELLO. So we have an understanding here and I'm clear about this, the allegations that were made that Haliburton, the subsidiary, that they were overcharging by \$61 million, those allegations came to light or were made somewhere between March and September of 2003; is that correct?

General FLOWERS. That's correct.

Mr. COSTELLO. And then on December 3rd there was a waiver given to KBR exempting them from cost competitive requirements for delivery of fuel oil. My question is: knowing that there were allegations that they overcharged by \$61 million, why would you or anyone within the agency sign a waiver exempting them from a cost competitive practice knowing that allegations had already been made that they overcharged by \$61 million?

General FLOWERS. Sir, I knew that the allegations of overcharging were being investigated and audited, as is the case with all charges under a contract of that nature, so a lot of that would be ferreted out as that investigation and the audit went forward. The decision to provide a waiver to the subcontractor for Brown and Root, Altimea, a deliverer from Kuwait, was made based on the fact that operationally in Iraq early in December lines at gas stations were getting much longer. The people were getting extremely upset and there was a danger of riots and attacks on our soldiers who were, at that point, guarding those dispensing facilities.

The contractor was very concerned about the demands for cost and pricing data from Altimea and said, "I don't want to go forward and get things from Altimea if they won't provide cost and pricing data." Well, typically contractors in Kuwait do not provide cost and pricing data. To meet the mission, I had the authority to provide a waiver to that company, and in order to prevent possible attacks on American soldiers, I exercised that option.

Mr. COSTELLO. General, a final question, and then if you answer this briefly you won't have to come back. We'll do our votes. Otherwise, we'll have to come back. When you made that decision, was that an independent decision made on your part or was it recommended by Ambassador Bremmer or anyone in the Administration?

General FLOWERS. Sir, it was absolutely my own decision. I had my personnel come to me with the situation. They laid out my options and I made the decision.

Mr. COSTELLO. Thank you, general.

Mr. DUNCAN. All right. Thank you very much.

General Flowers, Mr. Costello just returned a couple weeks ago from touring the Everglades project, and I did that a couple of years ago. You know that I have great concern about the potential cost of that. I would like for you to send us a brief updated report telling us that there are no big cost overruns and what the current status of all that work is, because that's such a huge project.

[The information follows:]

Comprehensive Everglades Restoration Plan (CERP)**Update**

The implementation of the CERP is proceeding through the planning and design of individual projects, development of project implementation reports, and completion of certain programmatic activities. In December 2003, we completed the Programmatic

Regulations required by the Water Resources Development Act (WRDA) of 2000 that will guide us through the 30-year implementation process. We are now working to develop the Interim Goals for restoration through the process identified in the Programmatic Regulations that will serve as benchmarks for achievement of restoration of the Everglades. These will be completed this year along with the six Guidance Memoranda specified in the Programmatic Regulations.

We have completed the first part of the system-wide Monitoring and Assessment Plan that will provide the means to track our progress and measure the results of our efforts. We have also established an Interagency Modeling Center (IMC) in coordination with the South Florida Water Management District, the U.S. Fish and Wildlife Service and the Everglades National Park. This IMC will provide the necessary scientific expertise to incorporate state of the art computer modeling into our analysis of potential effects of the proposed changes under CERP and allow us to better adapt the plan during implementation to achieve greater results. In addition, we are negotiating the necessary agreements needed to establish the Independent Scientific Review Process with the National Academy of Sciences as envisioned by WRDA 2000.

With respect to specific projects, we are completing planning and design of the first 3 pilot projects scheduled in the President's budget for construction initiation in fiscal year 2005. These first 3 pilot projects will greatly expand our knowledge of the technical and financial feasibility of large-scale implementation of aquifer storage and recovery. The first Project Implementation Report (PIR) for CERP, the Indian River Lagoon – South project, has been completed and is undergoing a Washington-level policy review regarding the consistency of the project with the President's policies and priorities. Also, the PIR for the Southern Golden Gate Estates project is on schedule for completion by the end of this year. We have Project Delivery Teams working on a number of other PIRs to expedite achievement of meaningful restoration.

We are attentive to the issue of potential cost overruns. We are monitoring costs closely as we move from framework plan through design to implementation. We are continuing to seek low technology solutions where available and less costly alternatives in our planning and design process.

The cost increases that are identified to date arise from inflation, changed designs, and the inclusion of additional features that enhance project performance and benefits. The \$7.8 billion cost included in the 1999 report submitted to Congress for authorization would be over \$8.4 billion at today's price levels. Cost increases associated with individual projects reflect either additional information not previously considered in the original design or some added features to improve overall project performance and enhance restoration benefits. An example of this is the recommended plan for the Indian River Lagoon - South project, for which design changes are included to address an unforeseen water quality issue and realize a significant increase in project benefits (e.g., natural storage areas added 90,000 acres of high cost lands to the project). The cost for this element is now estimated at \$1.2 billion as compared to its original cost in the 1999 CERP project of \$822 million.

Some of the purported cost increases are the result of a different method of accounting for costs. For example, some of the lands needed for projects were purchased through other appropriations and were not included in the 1999 CERP report \$7.8 billion cost estimate. This would include the lands for the Everglades Agricultural Area, which came out of the Farm Bill. While these costs are appropriately added to the overall cost estimate for CERP, it does not require any increase in CERP appropriations previously identified.

We are required by the Programmatic Regulations to provide an annual update to OMB on the current total cost of the Plan. We also will provide Congress with an update on the overall program every 5 years.

Mr. DUNCAN. Also, we have concerns about the coastal Louisiana project. That's another potentially really big one, so maybe we'll have to get into that. Maybe you could send us an update on that, as well.

General FLOWERS. Sure.
[The information follows:]

- Louisiana Coastal Area

The feasibility study was initiated in March 2002. We were scheduled to complete a draft report and distribute it for public review in October 2003. In the summer of 2003, the Corps initiated informal discussions on the study with the Office of Management and Budget (OMB), the Council on Environmental Quality (CEQ), and the Office of the Assistant Secretary of the Army (Civil Works ((ASA(CW))), and in October 2003, copies of the draft feasibility report were provided to Army, OMB, and CEQ. The Assistant Secretary informed us that we should revise the draft plan to include a discussion of the most critical ecological needs and recommended technical solutions to address those needs that could be implemented in the near-term (approximately 10 years). Since that time we have worked with the State of Louisiana to define what the contents of this revised plan will be. The revised draft report is scheduled for public review in July 2004. The near-term plan will help to focus coastal restoration efforts on critical areas and enable the Corps to conduct the necessary studies to support authorization and implementation of restoration projects.

It is important to recognize that the Corps and the non-federal partner (Louisiana) have drafted a plan that calls for the establishment of a comprehensive program to study the problems affecting Coastal Louisiana and develop, implement, and assess projects designed to address those problems over a 30 to 50 year period. There has not yet been a feasibility study for any project or group of projects to address the needs of Coastal Louisiana. The feasibility report information will be prepared once specific projects are proposed.

Mr. DUNCAN. Finally, Secretary Woodley, TVA purchases power from the Southeast Power Administration, including power generated on Corps dams on the Cumberland River. I want you to know that I support the President's proposal to allow the Power Marketing Administration to directly finance operation and maintenance of Corps of Engineers' hydropower facilities because those ratepayers are paying those costs and they should get something in return.

With that, I want to thank each of you. You have been a wonderful panel. Sorry it took this long. We will be in recess for these votes and then start with the second panel.

[Recess.]

Mr. PEARCE [ASSUMING CHAIR]. The committee will come to order. The second panel is already in place. It looks like we have The Honorable Arturo Duran with us, the Honorable Albert Jacquez, Mr. Thomas A. Weber, and Dr. Richard Spinrad. I think, Richard, you wanted to go first.

TESTIMONY OF RICHARD W. SPINRAD, ASSISTANT ADMINISTRATOR, NATIONAL OCEAN SERVICE, NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION, WASHINGTON, D.C.; HON. ARTURO Q. DURAN, COMMISSIONER, INTERNATIONAL BOUNDARY AND WATER COMMISSION, EL PASO, TEXAS; HON. ALBERT S. JACQUEZ, ADMINISTRATOR, SAINT LAWRENCE SEAWAY DEVELOPMENT CORPORATION, WASHINGTON, D.C.; AND THOMAS A. WEBER, ASSOCIATE CHIEF, NATURAL RESOURCES CONSERVATION SERVICE, WASHINGTON, D.C.

Mr. SPINRAD. I appreciate the opportunity, chairman, on behalf of NOAA and in light of the fact that I am expected to testify at 2:30 down at Longworth, so I do appreciate that opportunity.

Mr. PEARCE. And you can be excused after your testimony.

Mr. SPINRAD. Thank you very much, sir.

Mr. Chairman and members of the subcommittee, I am Richard Spinrad, the Assistant Administrator of NOAA for Ocean Services and Coastal Zone Management. On behalf of NOAA Administrator Vice Admiral Conrad Lautenbacher, thank you for inviting NOAA to testify today on our fiscal year 2005 budget request and priorities.

First I will speak to NOAA's responsibilities under both the Superfund Act and the Oil Pollution Act of 1990. Under these directives, NOAA, as one of the natural resource trustees, is responsible for ensuring that cleanup actions protect resources from further injury and assessing and recovering natural resources damages to restore and compensate for the loss of services. NOAA responds to approximately 100 significant oil or chemical spills a year as scientific advisors to the U.S. Coast Guard, and provides solutions to cleanup agencies at more than 200 hazardous waste sites each year. NOAA's plans for fiscal year 2004 include working with the U.S. Coast Guard to plan and conduct a spill of national significance exercise in California this April; expanding partnerships to address contamination, restoration, and economic redevelopment issues related to port development, dredging, and brownfields redevelopment; and beginning on a limited basis to initiate damage as-

assessments when NOAA trust resources are significantly affected in the Great Lakes.

In fiscal year 2005 the President is requesting \$16.9 million for response and restoration activities for NOAA to continue to protect the integrity of coastal ecosystems through its natural resource protection and restoration efforts.

The second area I'd like to focus on today is the coastal nonpoint pollution control program. Polluted runoff remains a threat to coastal waters, and NOAA has worked closely with EPA to ensure that coastal States have the tools necessary to effectively manage nonpoint sources of pollution. Thirty-three of the thirty-four States and territories that participate in the coastal zone management program now have either conditionally or fully approved coastal nonpoint programs.

We are confident that existing and incrementally improved State coastal nonpoint programs will yield coastal water quality benefits, and NOAA looks forward to recommendations for new directions from the United States Commission on Ocean Policy on this issue. NOAA, however, is not seeking additional funding for State implementation of these programs for two reasons: one, other agencies in the Federal Government, especially EPA and USDA, invest heavily in this area, and; two, States can continue to rely on assistance from NOAA, including funding from section 306 of the Coastal Zone Management Act, and NOAA's development and dissemination of management tools and scientific research on nonpoint source pollution problems and responses.

NOAA will maintain a leading role in nonpoint pollution research, science, and education, and we will continue our work to ensure that the public is served effectively by other Federal investments in this area.

The next two areas I'd like to focus on today are the NOAA programs and activities related to harmful algal blooms, HABs, and hypoxia. Virtually every coastal State has reported recurring major blooms, and a recent national assessment revealed that over half of our Nation's estuaries experience hypoxic conditions at some time each year. NOAA, working closely with our partners, has made considerable progress in the ability to detect, monitor, assess, and predict HABs and hypoxia in coastal ecosystems. These advances are helping coastal managers undertake efforts to reduce and ultimately prevent the detrimental effects of these phenomena on human health and on valuable coastal resources.

The President's fiscal year 2005 budget request includes a restoration of \$8.9 million in funding for research in these areas. NOAA intends to build upon our recent successes and will produce a revised national plan for algal toxins and HABs this summer. NOAA will also continue its efforts towards an operational forecast system for HABs.

The last area I will speak to today is NOAA's request for aquatic nuisance species activities. The President's budget includes \$500,000 for implementation of Section 1202 of the Non-Indigenous Aquatic Nuisance Prevention and Control Act of 1990. In addition, the base funding request for the national sea grant college program assumes that the national research competition will be continued, but at a reduced level from the 2004 estimate of \$3 million. Simi-

larly, approximately \$1.7 million of base funding for the Great Lakes environmental research laboratory will continue to support invasive species activities.

Mr. Chairman, thank you again for inviting NOAA to participate in today's hearing, and thank you again for your indulgence with respect to my schedule this afternoon.

Mr. PEARCE. Thank you.

Before you do take off, we have Mr. Costello with a question.

Mr. COSTELLO. Mr. Chairman, thank you. I appreciate your accommodating me and the doctor's schedule.

Doctor, let me just ask you one question. I realize that you have to be elsewhere in a minute. In your written testimony you remind the subcommittee of the threats from nonpoint sources of pollution to the water quality in the United States and of the important role that NOAA plays in the efforts to address those sources. Unfortunately, as you know, the Administration budget walks away from the Federal commitment to address nonpoint source pollution, and for NOAA the budget zeroes out funding for the section 6217 program, and for EPA the budget cuts \$28 million from its Section 319 program. I'm wondering, can you tell us what NOAA recommended to OMB for funding the 6217 program?

Mr. SPINRAD. The budget as presented recommends the recommendations that we have put forward regarding support for 6217. The expectation of the Administration in part is based on what we hope to see from the U.S. Commission on Ocean Policy with respect to coastal zone management activities in nonpoint source pollution. The specifics with regard to the budget submission can be provided in follow-on material to the subcommittee. As I indicated in my testimony, our intent is to try to work both our research activities towards increased capabilities for supporting nonpoint source pollution.

Mr. COSTELLO. I understand that. My question is, we're trying to figure out, NOAA did request a specific dollar amount for the 6217 program from OMB; is that correct?

Mr. SPINRAD. I would have to get back to the committee to find the specifics of where the request was developed in the internal deliberations, sir.

Mr. COSTELLO. We would be interested in receiving that and the dollar amount that was requested.

Mr. SPINRAD. Yes, sir.

Mr. COSTELLO. Thank you.

Thank you, Mr. Chairman.

Mr. PEARCE. Thank you, Mr. Spinrad.

Mr. Duran?

Mr. DURAN. Thank you, Mr. Chairman and members of the subcommittee. Thank you for the opportunity to speak before you today. I am pleased to have the opportunity to share with you the U.S. section of the International Boundary and Water Commission fiscal year 2005 budget request and priorities.

I was honored to be appointed United States commissioner to the International Boundary and Water Commission for United States and Mexico by President Bush in December, 2003. I look forward to this exciting opportunity to strengthen the relationship between

this country and Mexico and to represent our interests in this international setting.

Prior to my appointment I served as general manager of the Lower Valley Water District located in El Paso area, an organization responsible for providing potable water, sewer services, and solid waste services to several communities. I have also worked previously for the United States Environmental Protection Agency managing environmental restoration and waste management programs, and also as a private consultant along the U.S. and Mexico border. Based upon these experiences, I have gained a working understanding of trans-boundary environmental issues such as those presented in southern California and in other areas along the 2,000-mile boundary that impact the health and safety of citizens on both sides of the border.

I'm going to share with you just an overview of our budget. With respect to our budget request, the salary and expense account requests \$30.3 million for engineering, operation, and maintenance, as well as administration to ensure compliance with U.S. Government rights and obligations under the treaties and agreements between the United States and Mexico that are delegated under those agreements to be exercised by the International Boundary and Water Commission. The Commission not only has field offices that span the border from San Diego to Brownsville, but also several projects that span along the border between United States and MX. Continuing salary and expenses funding supports activities that include the operation and maintenance of three international wastewater treatment plants, two international dams and power plants, five diversion dams, six flood control projects, joint water quality programs, and the studies and designs for boundary and capacity preservation. Of the \$30.3 million, \$18.5 million would be allocated for the ongoing operations and maintenance of wastewater treatment and flood control projects, \$5.8 million for engineering designs and studies for environmental compliance, water conveyance, and border sanitation projects, and \$6.0 million for administration.

The fiscal year 2005 construction budget request is \$8.5 million for boundary wide water quantity and water quality program activities. These funds are used to conduct investigations, planning, project development, design, and construction for joint projects that address border sanitation, trans-boundary groundwater, flood control problems, and boundary demarcation. Of the \$8.5 million request, \$2.8 million would be allocated for engineering studies, environmental documentation and designs directly linked to construction requirements, \$500,000 for required ocean monitoring, \$2 million for actual construction, and \$1.2 million for the purchase of construction equipment. Less than \$200,000 of the \$8.5 million request would be used for direct labor.

There are some activities that are related to the interest of this committee, and we have one project that has to provide secondary treatment level for sewer emanating from the Tijuana River area in Mexico. I know that this is of particular interest to this committee, so I would like to address that specifically.

In 1990, the United States and Mexican sections of the Commission concluded an international agreement, Minute 283, that provided for the construction, operation, and maintenance of an inter-

national wastewater treatment facility on the U.S. side of the border near San Diego. This facility treats to the advanced primary level up to 25 million gallons per day of wastewater arriving from Tijuana at a cost that is shared by the United States and Mexican governments. That treated effluent from that facility is discharged through an ocean outfall 3.5 miles offshore in the Pacific Ocean.

In November of 2000 Congress passed and the President signed into law the Tijuana River Valley Estuary and Beach Cleanup Act of 2000, which requested the Secretary of State to negotiate a new agreement with Mexico to provide for the secondary treatment of that effluent, as well as treatment for additional sewage flows up to a maximum total capacity of 75 million gallons per day under a public-private partnership agreement.

Since December, 2001, the Commission has been actively engaged in formal ongoing negotiations with Mexico to achieve agreement on a new Minute that achieves the objectives of the public law, as reported periodically to this subcommittee.

I am pleased to inform the subcommittee that the United States has reached agreement with Mexico on a new Minute, Minute 311, which we signed on February 20, 2004, that we believe achieves the objectives of the public law. A copy of the Minute is submitted with my testimony for the information of the subcommittee.

Mr. Chairman and members of the subcommittee, as the new commissioner I am committed in addressing those public health issues along the border, especially this project. You know that we are facing some public health issues for southern California.

Minute 311 is an essential step in moving towards the goal. I am committed to advance this project forward. The citizens of southern California deserve no less. The Commission needs to be proactive and meet its mission as a Commission.

As you know, this is a highly technical and complicated project that breaks new ground for the CMM in which it will include a private/public partnership.

I want to say that at least for 2005 we have included \$2 million of request, and that \$2 million will allow the Commission, both sections, the United States and Mexico, to bring together the resources and pay for the necessary cost to move this project forward. This \$2 million will assist us in moving the implementation of this Minute 311 which we just signed.

I intend to continue to provide this subcommittee periodic reports on our progress toward implementation of Minute 311 and will be very happy to return to Washington to brief the subcommittee on our ongoing efforts and progress on this project.

Mr. Chairman, members of the subcommittee, thank you for the opportunity to testify today. I will be pleased to respond to any questions you and your subcommittee members may have.

Thank you.

Mr. PEARCE. Thank you, Mr. Duran.

Mr. JACQUEZ?

Mr. JACQUEZ. Mr. Chairman, Ranking Member Costello, and the other Mr. Chairman, members of the subcommittee, thank you for the opportunity to present the Saint Lawrence Seaway Development Corporation's budget priorities and programs. The Saint Lawrence Seaway Development Corporation is a wholly-owned govern-

ment corporation and an operating administration of the U.S. Department of Transportation. St. Lawrence Seaway, which the corporation operates, maintains, and promotes binationally with Canada, is a vital economic link between the heartland of North America and our trading partners throughout the world. Since its opening in 1959, more than \$400 billion worth of cargo has been transported through the Seaway System.

My written statement details how the President's budget request supports our mission to ensure seaway safety, reliability, efficiency, and security by providing the resources necessary to implement our priority projects and programs.

First, our budget request ensures Seaway reliability through proper maintenance. An important measure for success of our maintenance program is system availability. During the 2003 navigation season, the availability of the U.S. sector of the Seaway was 98.9 percent. Our goal was 99 percent.

Proper maintenance is important because the Seaway is a singlelock system consisting of 15 U.S. and Canadian locks. Consequently, a delay or shutdown to any one of those locks would close the entire Seaway until that lock was repaired and the Seaway was opened or reopened. The largest increase in our budget is for necessary maintenance and costly concrete replacement projects at the two U.S. Seaway locks. Concrete replacement has historically been one of the most expensive maintenance projects, dating back to the Seaway's opening. As the cement deteriorates, pieces of concrete dislodge and fall into the lock chambers. This obviously poses a risk to commercial vessels, pleasure boats, and the crews on board.

Second, our budget request ensures Seaway efficiency by providing for the Seaway Automatic Identification System, or AIS, and the agency's financial management system, both of which support the President's Management Agenda.

The AIS system utilizes global positioning technology to allow the Corporation to efficiently manage its vessel traffic control and vessel transits through the Seaway locks. Implemented in 2003, the Seaway was the first inland waterway in the western hemisphere to implement an operational AIS vessel traffic control system. The Corporation's independent financial management system allows officials to track all financial related information and to meet all independent audit reporting requirements. In fact, the Corporation has received 40 consecutive clean financial audits since its creation, a major achievement under the President's Management Agenda to improve financial performance.

Third, since the events of September 11th, Seaway security has become paramount. A major security milestone for the Corporation was the expansion of the Seaway's mandatory notice of arrival requirement for all foreign commercial vessels. Since the start of the 2002 navigation season, all foreign ships entering the St. Lawrence Seaway have been required to give 96-hour advance notification prior to arrival in Montreal, Canada. Ships that fail to give complete notice are barred from entering the Seaway.

It should be noted that the Seaway security procedures have been developed in full consultation with all relevant U.S. and Ca-

nadian law enforcement agencies to enhance security while minimizing any decrease in Seaway efficiency.

In conclusion, the Corporation's budget reflects our commitment to providing a reliable, efficient, and secure waterway for the movement of commercial goods through the Great Lakes region of North America. We believe it is in our country's economic and security interests that the necessary resources are provided to carry out the Seaway Corporation's mission.

Thank you.

Mr. PEARCE. Thank you.

Mr. Weber?

Mr. WEBER. Thank you, Mr. Chairman 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. In my remarks today, I would like to describe our ongoing work in this area and discuss our budget priorities for 2005. I will specifically address three major accounts—the watershed surveys and planning, watershed and flood prevention operations, and watershed rehabilitation programs.

The Natural Resources Conservation Services water resource programs provide communities and landowners site-specific technical expertise for watershed planning and financial assistance for watershed project implementation. They 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. Local governments and other sponsors initiate these projects with the help of NRCS and local conservation districts.

The 2002 farm bill represents an unprecedented commitment to conservation in this country, and the President's 2005 budget for NRCS will continue to focus on implementing the important conservation programs authorized by this historic legislation. These priorities will have an impact on the budget levels being proposed in the watershed programs area. The budget proposes reductions in funding for watershed implementation, planning, and rehabilitation. This will enable NRCS to redirect limited resources to address the more pressing farm bill implementation work while still funding the most critical watershed projects that have a strong local level of support.

With emergency spending being so difficult to predict, the budget proposes to not seek appropriated funding for emergency work, and instead to address disaster funding as emergencies arise.

The watershed surveys and planning account helps communities and local sponsors assess their resource issues and develop a coordinated watershed plan. The President's budget for fiscal year 2005 proposes to focus new watershed surveys and planning efforts on improving the environmental and economic benefits of new programs. The budget request is \$5,083,000 to help 20 to 30 communities complete their watershed planning efforts.

The watershed and flood mitigation component for fiscal year 2005 will focus on non-structural flood measures that will solve the identified natural resource and economic problems in that particular project area.

The Administration's budget proposal requests \$40,173,000 for projects authorized under Public Law 83-566. For the 11 projects authorized by the Flood Control Act, Public Law 78-534, no funding is proposed.

The President's budget funding request includes funding for the watershed rehabilitation activities which involve the rehabilitation of aging dams. These projects involve dams with a high risk for loss of life or property. Forty-one dams have rehabilitation plans authorized, and implementation of the plans is underway. The remaining 59 projects are in the planning stage. The Administration requests \$10,091,000 to complete the plans in progress and the ten projects currently underway.

In summary, it is our priority to address the needs of communities for the most critical water resource concerns, to effectively utilize Federal, State, and local programs to meet these immediate needs. We're going to continue to work with local communities to help prioritize and evaluate our activities so that the financial and technical resources that are available can be placed where they are most needed.

I thank the subcommittee and would be happy to take any questions you might have.

Mr. PEARCE. Thank you for your presentation.

Any questions, Mr. Costello?

Mr. COSTELLO. I have no questions at this time.

Mr. PEARCE. Mr. Duncan?

Mr. DUNCAN [RESUMING CHAIR]. Well, let me first of all apologize for having to leave the hearing. Mr. Pearce, I appreciate your doing that.

I've heard particularly of the work, Mr. Weber, that you do and your agency and so forth, and I appreciate the great work that you do for this country. We need to see what we can do to get some of these projects that haven't been funded or under-funded that we do as well as we can by them.

And also I am learning more about the work that your agency does, Mr. Duran, and I appreciate that.

Mr. Jacquez, I want to come up there and see your operations. I've heard of the St. Lawrence Seaway all my life, but I've never really been up there to see exactly what you do.

Mr. JACQUEZ. You tell me the date and I will meet you.

Mr. DUNCAN. I would like to come up there and take a tour some day and have you show me the operations, because I need to learn a little bit more about it.

I appreciate your all being here today and I appreciate the testimony you've given and what you're doing for this country. Since we've kept you here so long, I'll just leave it at that for right now and go back to Chairman Pearce.

Mr. PEARCE [ASSUMING CHAIR]. Mr. Costello?

Mr. COSTELLO. Mr. Chairman, just two quick questions. As Chairman Duncan indicated, you've been here a long time. We won't keep you here much longer. But I am interested, Mr. Weber, in knowing the watershed protection program is a critical component to responding to natural disasters such as fires and floods and things of that nature, and has an average funding level of about \$110 million. We noticed in going through the budget that the

budget requests no funds for this program. I'm just wondering, is that the position of the Administration that we will no longer be available to respond to assist rural communities if there are not funds in the budget for that purpose?

Mr. WEBER. Thank you for that question, Congressman Costello. The normal way that we have been receiving our emergency watershed program money to address disasters has been through the supplemental appropriation process for a number of years, so as these emergencies arise the needs are made known and Congress does provide those funds as needed.

Mr. COSTELLO. And has that been the case in previous years? In other words, at this point last year would we have observed the same thing, that you requested no money, that it has always come through supplementals?

Mr. WEBER. I believe that is true, sir.

Mr. COSTELLO. Very good.

Mr. Chairman, I really have no further questions. I just want to thank the panel for being here today.

Mr. PEARCE. Thank you.

Mr. Weber, I have a question. In your testimony you talk about the \$5 million for the 20 to 30 communities. How are those communities selected? I can imagine that there are just a desperate number of communities that are lacking in planning.

Mr. WEBER. The process that we have, it really begins at the State level where these communities submit their applications. Those applications are reviewed and ranked and we do provide the funds to the States to address those high priority applications that they have. In many cases, these planning efforts are ongoing, so this would be a continuation of those plans that are already underway.

Mr. PEARCE. Mr. Weber, that raises the next question, that they are ongoing. I know that in New Mexico I sat on one of the water planning boards for a small region, and pretty soon you understand that you can't plan if the people around you don't plan, that we ended up having to divide New Mexico into 17 different planning regions, and they all have to plan together, and then the plans have to merge at some point. I guess my question is: why would we select 20 communities nationwide and have ongoing plans if we don't have a coordinated plan to go with it, because we can declare what a community's needs are, but if we do not take into account what the next-door community is saying, then we end up spending a lot of money that to me does not have any effectual outcome.

Mr. WEBER. Congressman Pearce, the process that we use does look at watershed levels of planning, so it is a broader area than the community, itself. It does bring in all of the players in that watershed area to the table to coordinate the water resource needs and related resource needs of that area. In addition, we do have our conservation technical assistance program where we have a presence at the local level almost everywhere in this country and our folks do assist local communities, as well, in that process in helping to plan their needs. It would not necessarily be under this watershed program that they would do that, but if the community asks for their assistance we would certainly try to provide that assistance to them.

Mr. PEARCE. Mr. Weber, on the issue of the watersheds, again, are you dealing with any of the areas that have been ravaged by forest fires? And, again, how do you decide which ones get the attention and who actually has the cleanup cost on those?

Mr. WEBER. The current situation is the major fire areas that we've had most recently are in southern California, and the funding that did come through our emergency watershed program last year did come in the amount of \$150 million, did come specifically to work on those fire-damaged areas in southern California, erosion control methods, and also in that program legislation authorization to do tree mortality work, to remove the dead and dying trees there that are causing fire problems.

In other cases where we have fire damages—we have assisted New Mexico, for example, about two years ago, I think. We did quite a bit of work there. We do use the emergency watershed program to assist those local communities. The cost share typically is 75 percent Federal, 25 percent other, which can be matched by in-kind services, by the way, rather than cash. So this program has been very useful to those communities and States to assist them.

Mr. PEARCE. When I look at the problem of our watersheds and the fact that they are just basically overgrown, overcrowded, too much fuel in the forest, and in my District there are a tremendous number of forests, and we hear different comments from the Forest Service that they're not going to implement any part of the healthy forest initiative, that they're not going to do some cleanups, does your agency ever get involved in those discussions? I mean, you all absolutely have an understanding of watersheds and the need for a healthy watershed. If we have a forest district that is not implementing the cleanup, the balanced thinning throughout the watershed, does your agency get involved if I make a request for you all to give us an evaluation?

Mr. WEBER. We would certainly work with the Forest Service. On Federal lands, obviously, they would have the jurisdiction, but we do work with the Forest Service in providing technical assistance in those areas we have expertise. Certainly soils information is a major area of expertise in the agency, hydrology, and those kinds of things. But we would certainly assist them if they desired that.

Mr. PEARCE. Well, thank you very much.

Finally, Mr. Duran, I have been to Mexico. As you know, we've got a border that shares with Mexico and the border health issues are significant there. In the solution that's suggested for the sewage problem along the Tijuana/San Diego border, how do you see that playing out, and what is your exact position in the department on that?

Mr. DURAN. As you know, I'm just barely coming up to speed and getting educated with this project. I look very seriously at the public law that was passed in November of 2000 by Congress, and I feel it is my job to advance this project forward and comply with your direction. What we need to do now, we signed the international agreement with Mexico and that kind of sets the framework for us to work within that framework to implement this project.

Some of the steps that need to take place in the next few months is really moving forward in establishing a private/public partnership through a contract arrangement where there is some specific obligations on our behalf and also in the private sector, and this is really something that I think is going to be, in my opinion, a model for private/public partnership where we are leveraging private resources up front to allow us to advance these priorities forward at the same time that we're working with our government to seek the appropriations and the funding necessary for this project.

Mr. PEARCE. Thank you, Mr. Duran.

Mr. Jacquez, I understand that you have a commitment and you are excused at this time if you'd like to go, but Mr. Filner has a couple of questions of Mr. Duran. If you don't mind hanging around, we'd appreciate it.

Mr. FILNER. Thank you, Mr. Chairman. I'd like to give some context to the issue you just raised. I'm sorry Chairman Duncan is not here, because he has provided steadfast support to the project in the very southwest corner of the Nation to eliminate sewage that has been plaguing us for 50 years, and I wanted to thank Mr. Duncan for helping us keep the pressure on for a solution to that.

You may not have been here, but with previous commissioners who have been here before Mr. Duran, they kept telling us why they couldn't do something. We passed a law three-and-a-half years ago that said, "Do something to clean up this sewage." In fact, as Mr. Duran just stated so eloquently, with a private/public partnership that, in fact, would get the job done quicker, would do a far more environmentally sensitive project, not only cleaning up the sewage but reclaiming the water and giving it back to Mexico—I should say selling it back to Mexico—that they need to desperately. We thought it was a wonderful program. It went through enormous traps to get past. As you know, a bill to get passed in this House unanimously has to go through a tremendous number of people and issues. We cleared it with lawyers in the Executive Branch and in the Legislative Branch people had questions from all sides. We worked through those. We passed a law. For three-and-a-half years nothing has happened.

Within a few weeks of Mr. Duran's taking office, the treaty was signed. I mean, clearly work was done before that, but, as you can tell, he has enthusiasm. We haven't heard that before. He has direction. We haven't had that before. He is giving people in his agency, I think, a sense of, "We can do something, and not only for California but also for New Mexico, for Arizona, and for Texas." I was quoted in the paper this morning, Mr. Duran—I don't know if you saw the "San Diego Union Tribune" or they gave it to you. They asked me what about the signing of this treaty, this Minute that will lead to a contract that will be negotiated. I said I was ecstatic, and I said this was the beginning of the end of a 50-year problem. So I want to thank you for giving new energy and new enthusiasm, new momentum. I think you are going to feel this all along the border. I think New Mexico will be helped. I know his beloved State of Texas will be helped. We're going to introduce into the community in San Diego in a few weeks that will say, "Hey, we have someone who is actually working on our job." So I want to thank you, Commissioner Duran, for bringing this. This is just

our first introduction to you, but it has been a very positive and wonderful introduction. We have been trying to get things done for a long time, and we were—I'll use the word "ecstatic"—to see someone who wants to get the job done also. Thank you, Mr. Commissioner.

Mr. DURAN. Thank you. I look forward to working with all of you, as well.

Mr. FILNER. Thank you, Mr. Pearce.

Mr. PEARCE. Thank you very much. We thank the Committee Members for being here and the panel members for staying. I apologize for the long delays. We welcome you all.

The hearing is adjourned.

[Whereupon, at 2:50 p.m., the subcommittee was adjourned, to reconvene at the call of the Chair.]

**Testimony of Arturo Q. Duran
United States Commissioner**

**International Boundary and Water Commission
United States and Mexico**

**Before the
Committee on Transportation and Infrastructure
Subcommittee on Water Resources and the Environment
February 26, 2004**

Mr. Chairman, Members of the Subcommittee, thank you for the opportunity to come before you today. I am pleased to have the opportunity to discuss with you the U.S. Section of the International Boundary and Water Commission's Fiscal Year 2005 budget request and priorities. I was honored to be appointed United States Commissioner to the International Boundary and Water Commission, United States and Mexico, by President Bush in December of 2003. I look forward to this exciting opportunity to strengthen the relationship between this country and Mexico.

Prior to my appointment to the IBWC, I served as the General Manager of the Lower Valley Water District, located in El Paso County, Texas, an organization responsible for providing among other services, potable water, sewer and solid waste services to several communities. I have previously worked for the U.S. Environmental Protection Agency managing environmental restoration and waste management programs and also have worked as a private environmental consultant along the U.S. - Mexico border region. Based upon those experiences, I have gained a working understanding of transboundary environmental issues, such as those presented in Southern California, and in other areas along our 2,000- mile boundary, that impact the health and safety of the citizens on both sides of the border.

With respect to the USIBWC FY05 budget request, the Salary & Expenses Account requests \$30.3 million for engineering, operation and maintenance and administration activities to ensure compliance with U.S. Government rights and obligations under treaties and agreements between the United States and Mexico that are delegated under those agreements to be exercised by the USIBWC. The USIBWC not only has field offices that span

the border from San Diego to Brownsville, but also myriad projects that span the common border between the United States and Mexico. Continuing salary and expenses funding supports activities that include the operation and maintenance of three international wastewater treatment plants, two international dams and power plants, five diversion dams, six flood control projects, joint water quality programs, and the studies and designs for boundary and capacity preservation. \$18.5 million of the \$30.3 million request would be allocated for the ongoing operations and maintenance of wastewater treatment and flood control projects, \$5.8 million for engineering designs and studies for environmental compliance, water conveyance and border sanitation projects, and \$6.0 million for administration.

The FY05 Construction Budget request is \$8.5 million for boundary wide water quantity and water quality program activities. These funds are used to conduct the investigations, planning, project development, design, and construction for joint projects that address border sanitation, trans-boundary groundwater, flood control problems, and boundary demarcation. \$2.8 million of the \$8.5 million request would be allocated for engineering studies, environmental documentation and designs directly linked to construction requirements; \$500,000 for required ocean monitoring; \$2.0 million for actual construction; and \$1.2 million for the purchase of construction equipment. Less than \$200,000 of the \$8.5 million request would be used for direct labor.

Providing secondary treatment level for sewage emanating from the Tijuana River area in Mexico in the earliest time and most efficient manner possible is a top priority for the USIBWC, and an area of particular interest to this Subcommittee. In 1990, the United States and Mexican Sections of the IBWC concluded an international agreement, IBWC Minute 283, that provided for the construction, operation and maintenance of an international wastewater treatment facility on the U.S. side of the border near San Diego. This facility treats to the advanced primary level up to 25 million gallons per day of wastewater arriving from Tijuana at a cost that is shared by the U.S. and Mexican Governments. That treated effluent from that facility is discharged through an ocean outfall 3.5 miles offshore in the Pacific Ocean.

In November of 2000 Congress passed, and the President signed into law, the Tijuana River Valley Estuary and Beach Cleanup Act of 2000 ("Tijuana River Act"), 22 U.S.C. §§ 277d-43 et seq., Title VIII of Pub. L. 106-457 (Nov. 7, 2000) which requested the Secretary of State to negotiate a new agreement with Mexico to provide for the secondary treatment of that effluent, as well as treatment for additional sewage flows up to a maximum total capacity of 75 million gallons per day (mgd) under a public-private partnership arrangement.

Since December 2001, the USIBWC has been actively engaged in formal on-going negotiations with Mexico to achieve agreement on a new Minute that achieves the objectives of the Public Law, as reported periodically to this Subcommittee.

I am pleased to inform the Subcommittee that the United States has reached agreement with Mexico on a new Minute, Minute 311, on February 20, 2004, that we believe achieves the objectives of the Public Law. A copy of the Minute is submitted with my testimony for the information of the Subcommittee.

Mr. Chairman, Members of the Subcommittee I am committed to making this project work. Minute 311 is an essential step -- other steps and negotiations will be required to make this facility a reality -- but sometimes it is the underlying framework agreement that is the most important. Rapid implementation of this agreement is a top priority for the USIBWC. The citizens of Southern California deserve no less.

This is a highly technical and complicated project that breaks new ground for IBWC in that it will include a private partner. Neither Section of the IBWC views its role as being limited to that of a conduit. The IBWC has an international law responsibility through its treaty obligation to ensure that the project is developed in a viable and effective manner and that all elements are consistent with applicable U.S. and Mexican law and regulations. This means that both the U.S. and Mexico Sections of IBWC must devote staff, time and resources to move this forward. This will require expenditure of funds. Since this is a United States initiative, Mexico is looking to the United States to help provide funding needed by Mexico to take the initial steps required under its

law. Both Sections will require funding to develop and administer the project. For these purposes, the USIBWC has included \$2 million in its FY 05 budget request toward implementation of Minute 311.

I intend to continue to provide this Subcommittee periodic reports on our progress toward implementation of Minute 311 and would be happy to return to Washington to brief this Subcommittee on our on-going efforts to move forward with this project as expeditiously as possible.

Mr. Chairman, Members of the Subcommittee, thank you for the opportunity to testify today. I would be pleased to respond to any question you or other members of the Committee may have.

**INTERNATIONAL BOUNDARY AND WATER COMMISSION
UNITED STATES AND MEXICO**

El Paso, Texas
February 20, 2004

MINUTE NO. 311

**RECOMMENDATIONS FOR SECONDARY TREATMENT IN MEXICO OF THE
SEWAGE EMANATING FROM THE TIJUANA RIVER AREA IN BAJA
CALIFORNIA, MEXICO**

The Commission met at the offices of the United States Section in El Paso, Texas on February 20, 2004 at 1:30 p.m., to address the construction in Mexico of a plant and related facilities for secondary treatment of sewage emanating from the Tijuana River area in Mexico that flows untreated into the United States or is partially treated at the South Bay International Wastewater Treatment Plant (SBIWTP) located in San Ysidro, California.

The Commissioners noted the stipulations in the Treaty between the United States of America and the United Mexican States for the "Utilization of Waters of the Colorado and Tijuana Rivers and of the Rio Grande," signed February 3, 1944, as they relate to the obligation of both Governments to provide preferential attention to the solution of border sanitation problems. They also noted the stipulations in Minute No. 283, entitled "Conceptual Plan for the International Solution to the Border Sanitation Problem in San Diego, California/Tijuana, Baja California," dated July 2, 1990, that provided for the United States and Mexico to design, construct, operate and maintain a treatment plant for up to 25 million gallons per day (mgd) <1100 liters per second (l/s)> of wastewater arriving from the City of Tijuana, Baja California to be treated to a level of secondary treatment in the United States. The Commissioners also noted that the Mexican Government covers the costs of operation and maintenance of the volumes mentioned above in its corresponding portion, in accordance with Minute No. 296, entitled "Distribution of Construction, Operation and Maintenance Costs for the International Wastewater Treatment Plant Constructed under the Agreements in Commission Minute No. 283 for the solution of the Border Sanitation Problem at San Diego, California/Tijuana, Baja California," dated April 16, 1997. Likewise, they noted that due to problems in the United States the level of treatment provided by the present international plant is only at a level of advanced primary treatment.

The United States Commissioner noted that the level of treatment provided at the SBIWTP currently fails to meet the secondary treatment level standard set forth in the State of California discharge permit. The concentration and mass emissions rates for total suspended solids and Carbonaceous Biochemical Oxygen Demand and Whole Effluent Toxicity have routinely exceeded the permit levels since the initiation of advanced primary treatment in 1997. In addition, the United States Commissioner noted the failure to meet

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discharge permit requirements had resulted in litigation in Federal District Court. The United States Commissioner further noted that a possible result of this lawsuit is that the United States Section would be required to cease discharges from the SBIWTP. The Mexican Commissioner noted that this would mean that the SBIWTP could not accept any flows from Mexico and this would not be acceptable to Mexico. Both Commissioners noted that this would have serious impacts on health and the environment in the border region.

The Commissioners noted passage by the United States Congress of Public Law 106-457, "Tijuana River Valley Estuary and Beach Cleanup" signed on November 7, 2000, which authorizes appropriation of up to \$156 million dollars to comprehensively address the treatment of sewage emanating from the Tijuana River area in Mexico that flows untreated or partially treated into the United States causing significant adverse public health and environmental impacts. They also considered the proposal presented by the United States Section to the Mexican Section through correspondence in January 2002. The implementation of a secondary treatment facility in Mexico in a manner consistent with Public Law 106-457 would provide the secondary treatment which was originally to be provided at the SBIWTP in conformance with Minute No. 283.

The Commissioners noted the efforts of the Comisión Estatal de Servicios Públicos de Tijuana and of the United States Environmental Protection Agency (USEPA) in the development of the Master Plan for Water and Sanitation for the City of Tijuana, Baja California, published on March 7, 2003, which analyzes the present and future generation of wastewater in the City of Tijuana, the available treatment capacity at present, and the facilities required to cover the treatment needs through 2023. The Mexican Commissioner noted that the United States proposal for constructing the secondary treatment for the SBIWTP in Mexico would complement the provisions in the City of Tijuana Master Plan until 2023 that suggests the construction of a wastewater treatment plant with total treatment capacity of 33.5 mgd (1470 l/s). In addition the Master Plan considered secondary treatment consisting of 25 mgd (1100 l/s) of the SBIWTP advanced primary effluent, if secondary treatment of that effluent is not provided for at a facility in the United States. This increases the total needed capacity for the planning period to 2023 to 59 mgd (2570 l/s).

I. PROPOSED PROJECT

The Commissioners considered it possible to implement the concept of the referenced United States proposal in Mexico for a secondary treatment facility for sewage emanating from the City of Tijuana, Baja California, under a public-private participation arrangement. The United States Section would agree to fund, subject to availability of annual appropriations, up to \$156 million for the engineering, construction, and for a period of 20 years for the operation and maintenance of a 59 mgd (2570 l/s) wastewater treatment plant in Mexico if the treatment of 25 mgd (1100 l/s) of advanced primary effluent of the SBIWTP is not provided in the United States. Any additional costs will be subject to

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subsequent Commission agreements. The Government of Mexico would continue to cover the corresponding costs for the first 25 mgd (1100 l/s) as stipulated in Minutes Nos. 283 and 296.

Specifically, the proposed project will consider at a minimum the following:

- To locate the required primary and/or secondary treatment facilities in Mexico and associated facilities directly related to the project in the United States and Mexico.
- To provide secondary treatment of the SBIWTP effluent in Mexico, if such treatment is not provided for at facilities located in the United States.
- To provide the treatment capacity, including all processes necessary to provide secondary treatment level, in Mexico, for flows of 59 mgd (2570 l/s) if the treatment of 25 mgd (1100 l/s) of advanced primary effluent of the SBIWTP is not provided in the United States.
- To obtain all the permits required by the Mexican authorities in order to facilitate the verification and oversight of compliance with laws related to the treatment structures that are constructed in Mexico.
- To comply with the water quality laws of the United States and of the State of California in order to allow the discharge in the United States of treated effluent that is not utilized in Mexico through the Southbay Ocean Outfall (SBOO), constructed in the United States within the framework of Minute No. 283.
- To provide the pumping, conveyance and secondary treatment in Mexico for a flow of 59 mgd (2570 l/s), as derived from the results of the City of Tijuana Master Plan.
- To have supervision and approval of each phase of the projects resulting from the United States proposal undertaken by the Commission with participation of the appropriate United States and Mexican technical advisors.
- Ownership and disposition of wastewater from Tijuana, Baja California, treated or not treated under this proposal, will remain under the jurisdiction of the Government of Mexico. Likewise, the Government of Mexico will maintain the jurisdiction for disposal of said wastewater in accordance with applicable Mexican laws.

II. CONTRACT SERVICES

Likewise, both Commissioners observed it acceptable to develop the United States proposal to engineer, construct, operate and maintain treatment works in Mexico in conformance with applicable Mexican legislation, under an operating lease contract between the Commission and the service provider of the Mexican facility. The United States Section would make payments to the service provider, subject to the availability of annual appropriations, under the contract, which would be administered by the Mexican Section in accordance with the 1944 Water Treaty. The payments to be made to the service provider would be offset by compensations or credits that reflect an agreed upon percentage of payments received by Mexico through the sale of water treated by the facility. Said

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compensations or credits would be mutually agreed upon by the two governments through the Commission. In no instance will the service provider be authorized to decide on the fate or use of the Tijuana, Baja California wastewater, treated or untreated. This decision will be made solely by the Government of Mexico. The service provider may propose mechanisms and specific actions to this respect, but, in any case, will require the authorization of the Government of Mexico.

The Government of the United States would provide, subject to the availability of annual appropriation up to a total of \$156 million for the implementation of the project. Any costs above this amount will be subject to subsequent Minutes of the Commission.

The contract will at a minimum include the following items:

- Conveyance of the advanced primary effluent from the SBIWTP, located in the United States, to the Mexican facility for secondary treatment, if secondary treatment for the effluent is not provided at a facility located in the United States.
- Treatment to the secondary level at the facility in Mexico, in compliance with applicable water quality laws of the United States, the State of California, and Mexico.
- Return conveyance from the Mexican treatment facility to the United States of any treated effluent that cannot be reused. The effluent may be discharged through the SBOO into the Pacific Ocean in compliance with water quality laws of the United States and the State of California.
- Wastewater treatment capacity that provides secondary treatment for volumes in addition to the capacity of the SBIWTP, for a total capacity of 59 mgd (2570 l/s) if the treatment of 25 mgd (1100 l/s) of the advanced primary effluent of the SBIWTP is not provided in the United States.
- A contract term of 20 years. When the contract terminates, the facilities will be transferred, in good operating conditions, to the responsible Mexican authorities.
- Attainment of permits in order for the Commission to monitor, verify and assure compliance with United States, California, and Mexican water quality standards.
- Arrangements in order for the Commission to assure the proper disposal and use, at a site or sites in Mexico, of sludge produced at the SBIWTP and the Mexican facility.
- Payment by the United States Section, subject to annual availability of appropriations, for the contracted wastewater treatment services, including the necessary processes to attain treatment at a secondary level for a capacity of 59 mgd (2570 l/s), if the treatment of 25 mgd (1100 l/s) of advanced primary effluent is not provided in the United States. The payment will cover all agreed upon costs associated with the development, financing, construction, operation and maintenance of the Mexican facilities, on an annual basis.
- Provisions for non-compliance with the terms of the contract.
- The use of competitive procedures applicable in Mexico in the procurement of all

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property and/or services for the engineering, construction, and operation and maintenance of the Mexican facility.

- Oversight of a Binational Technical Committee composed of appropriate United States and Mexican technical advisors, presided over by the Commission, to provide support to the Commission in the supervision of the different phases of the proposed actions included in this and subsequent Minutes. The Technical Committee may include for the United States the State of California and USEPA and for Mexico Comisión Nacional del Agua (CNA) and Government of Baja California.
- Provisions for the Commission, with the support of the Binational Technical Committee, to review and approve the selection of all contractors to perform the engineering, construction, and operation and maintenance for the Mexican facility.
- Ensure the maintenance by the service provider of the Mexican facility of all records (including books, documents, papers, reports, and other materials) pertaining to the operation of the facility necessary to demonstrate compliance with the terms of the contract and those in this Minute.
- Access by the Commission for audit and examination of all records maintained in accordance with the previous item, to facilitate the monitoring and evaluation of the performance of the Mexican facility

The Commissioners noted that the implementation of this Minute would require supervision by the Commission with the support of the Binational Technical Committee that includes the monitoring, on a quarterly basis, of the progress and status on the implementation of any contract executed under this Minute, as well as an evaluation of the extent to which the terms of such contract have been met. They also considered the recommendations that the findings of such observations will be presented, through the respective Section, to domestic agencies requiring such reports, beginning no later than two years after the execution of such a contract and every year after until contract close-out.

III. PREVIOUS CONSULTATIONS

The Commissioners also noted the ongoing discussions convened by the two Sections since January 2001. Meetings of the Commission have taken place and letters have been exchanged within the Commission as well as at the diplomatic level, in which the Government of Mexico has shown interest in the United States proposal and expressed its willingness to further discuss this matter on the basis that the concept is compatible with the option recommended in the City of Tijuana Master Plan, presents opportunities for additional investment in Mexico, includes an arrangement for the disposal of the effluent by means of the SBOO, allows opportunity to realize the existing potential for reuse of the effluent, decreases the pressure on the supply sources by placing the treated effluent closer to the potential sites for potable and non-potable reuse, and involves cooperation between

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both countries for treatment and disposal of a volume of Tijuana wastewater greater than the present 25 mgd (1100 l/s).

From the various meetings and exchange of letters of the Commission, the following understandings were noted:

1. It would be feasible to incorporate the participation of a public-private service provider for the treatment of wastewater in accordance with applicable regulations in Mexico.
2. The Commission could participate in an operating lease contract for the engineering, construction, operation and maintenance in accordance with Mexican law and in accordance with additional terms to be established in a subsequent Commission Minute.
3. The operating lease contract would be administered consistent with provisions in the 1944 Water Treaty, applicable Mexican laws and in accordance with the terms and conditions established through subsequent Commission Minutes.
4. That the adopted project would be consistent with the solution identified in the Tijuana Master Plan; that it would address infrastructure capacities, land use, land acquisition, type of treatment and disposal of effluent; they would satisfy the requirements of CNA and the State of Baja California; that it would dedicate special attention to odor control; that it would address the selection of the service provider, in accordance with procedures in applicable Mexican laws; and it would define the fate of the facilities when the contract period ends.

IV. IMPLEMENTATION PLAN

The Commissioners noted the legislation set forth by the United States Congress in Public Law 106-457, the conclusions set forth by the Tijuana Master Plan and the discussions held by the Commission were sufficient basis to move ahead in relation to the secondary treatment of the effluent from the SBIWTP and the future flows of Tijuana. Therefore, the Commissioners considered it appropriate to implement the following actions:

1. Once the initial appropriated funds are available, the Commission would develop an operating lease arrangement contract, as defined under Section II of this Minute, "Contract Services," for the financing and development of the engineering, construction, operation and maintenance of the facilities in Mexico. This arrangement will need to have the approval of both governments, expressed in a subsequent Minute.
2. The final design of the facilities to be constructed in Mexico and the final arrangement for its implementation, as well as the terms under which the United States Section will make payments for the design, construction, operation and maintenance of said facilities, will be established in a subsequent Minute of the

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Commission. In case that agreement on an operating lease arrangement or design that is acceptable to both governments is not reached, the stipulations established in Commission Minutes Nos. 283 and 296 will apply.

3. At the termination of the contract, the facilities constructed in Mexico will be transferred in adequate operating condition to the responsible Mexican authorities. The terms for subsequent operation will be established in a Commission Minute, and if necessary, the terms for the discharge of the plant effluent.

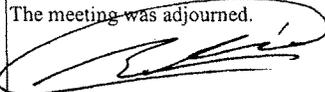
Based on the above, the Commissioners present the following recommendations for the approval of the two governments:

1. The United States Section shall fund, subject to availability of annual appropriations, up to a total of \$156 million for the engineering, construction, and for a period of 20 years the operation and maintenance of a 59 mgd (2570 l/s) secondary wastewater treatment plant in Mexico, if the treatment of 25 mgd (1100 l/s) of advanced primary effluent of the SBIWTP is not provided in the United States. Any additional costs shall be subject to subsequent Commission agreements. The Government of Mexico shall cover the corresponding costs for the first 25 mgd (1100 l/s) as stipulated in Commission Minutes Nos. 283 and 296. Treatment to the secondary treatment level will be in compliance with water quality laws of the United States, the State of California and Mexico.
2. The Commission shall adopt the implementation plan contained in Section IV of this Minute.
3. The Commission, with support from their respective technical advisors, shall review and approve the terms of reference for the selection of a service provider.
4. The Commission shall administer the project guided by the solution identified in the Tijuana Master Plan, to satisfy the requirements of the responsible Mexican authorities and to address infrastructure capacities, land use, land acquisition, type of treatment, odor control, sludge management, and disposal of effluent that cannot be reused in Mexico. The effluent may be discharged through the SBOO into the Pacific Ocean in compliance with water quality laws of the United States and the State of California.
5. The Commission shall supervise the project including quarterly monitoring of progress and status of performance on any contract executed to fulfill the objective of this Minute, and an evaluation of the degree to which the service provider of the facilities in Mexico has complied with the terms of the contract. The results of these observations shall be presented, through the corresponding Section of the Commission, to the authorities which require these reports in each country, beginning no later than two years after execution of the contract referred to in Section II of this Minute, and annually thereafter.

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6. All activities undertaken pursuant to the provisions of this Minute shall be subject to the availability of appropriated funds, resources, and corresponding personnel, as well as to applicable laws and regulations in each country.
7. This Minute shall enter into force upon notification of approval by the Government of the United States of America and the Government of the United Mexican States through the respective Sections of the Commission, and shall terminate when the operating lease contract referenced in Paragraph No. 1 of Section IV of this Minute concludes.

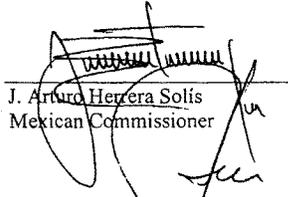
The meeting was adjourned.



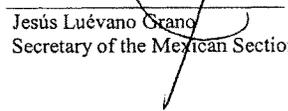
Arturo Q. Duran
United States Commissioner



Carlos Peña, Jr.
Secretary of the United States Section



J. Arturo Herrera Solís
Mexican Commissioner



Jesús Luévano Orano
Secretary of the Mexican Section

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DEPARTMENT OF THE ARMY CORPS OF ENGINEERS

COMPLETE STATEMENT

OF

**LIEUTENANT GENERAL ROBERT B. FLOWERS CHIEF OF ENGINEERS U. S.
ARMY CORPS OF ENGINEERS**

BEFORE

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

ON

THE CIVIL WORKS PROGRAM BUDGET FISCAL YEAR 2005

FEBRUARY 26, 2004

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THE CIVIL WORKS PROGRAM BUDGET FISCAL YEAR 2005

MR. CHAIRMAN AND DISTINGUISHED MEMBERS OF THE SUBCOMMITTEE:

INTRODUCTION

I am honored to be testifying before your subcommittee today, along with the Acting Assistant Secretary of the Army for Civil Works, the Honorable John Paul Woodley, Jr., on the President's Fiscal Year 2005 (FY05) Budget for the United States Army Corps of Engineers' Civil Works Program.

My statement covers the following 6 topics:

- Summary of FY05 Program Budget,
- Civil Works Construction Backlog,
- Civil Works Program Transformation,
- Need for a More Robust Business Management System, and
- Value of the Civil Works Program to the Nation's Economy
- Value of the Civil Works Program to the Nation's Defense

SUMMARY OF FY05 PROGRAM BUDGET**Introduction**

This budget provides new funding for the Civil Works Program, including the Direct and Reimbursed programs, is expected to approach \$5.602 billion.

Direct Program funding, including discretionary and mandatory funding appropriated directly to the Corps, totals \$4.652 billion. Discretionary funding, including amounts ultimately replaced by mandatory funding, totals \$4.215 billion; additional mandatory funding totals \$437 million.

Reimbursed Program funding is projected to be \$950 million.

Direct Program

The proposed budget reflects the Administration's commitment to continued sound development and management of the nation's water and related land resources. It provides for continued efficient operation of the nation's navigation, flood protection, and other water resource management infrastructure, fair regulation of the nation's wetlands, and restoration of the nation's important environmental resources, such as the Florida Everglades.

The budget provides for continued funding of nearly all studies and projects underway, including many started in FY05. It also provides for funding of 4 new studies under the General Investigations (GI) program.

Reimbursed Program

Through the Interagency and Intergovernmental Support Program we help non-DOD federal agencies, state, and other countries with timely, cost-effective implementation of their programs, while maintaining and enhancing capabilities for execution of our Civil and Military Program missions. These customers rely on our extensive capabilities, experience, and successful track record. The work is principally technical oversight and management of engineering, environmental, and construction contracts performed by private sector firms, and is fully funded by the customers.

Currently, we provide reimbursable support for about 60 other federal agencies and several state and local governments. Total reimbursement for such work in FY05 is projected to be \$950 million. The largest share -- nearly \$250 million -- is expected from the Environmental Protection Agency (EPA) for cleanup of wastes at numerous sites under its Superfund program. 90% of Reimbursed Program funding is provided by other federal agencies.

Staffing

Total staffing for the Civil Works Program for FY05 is 24,800 FTEs, unchanged from FY04. Of the total, 23,700 FTEs are for the Direct Program and 1,100 FTEs are for the Reimbursed Program. Total staffing is allocated 90.6% to districts, 4.9% to laboratories and other separate field operating agencies, 2.7% to division offices, and 1.8% to headquarters.

CIVIL WORKS CONSTRUCTION BACKLOG

In the broadest sense, the "construction backlog" is unfunded work. For the Civil Works Program, it is defined more specifically, as the federal share of unfunded continuing and future construction work at some point in time, e. g., the beginning of some funding period, such as FY05. This definition can be further variously qualified. Such continuing and future work could include, for example, only work that is currently programmed on projects now actively under physical construction, while excluding such work where a project has not yet begun physical construction or where physical construction has been suspended for more than a year.

At the end of FY05, it will cost approximately \$11 billion in non-inflated dollars to complete the construction projects of the Construction, General, Program funded in the FY05 budget, which represents a decrease from last year. The decrease partly reflects a decision to display the backlog in FY05 dollars rather than inflating amounts to future dollars. The decrease is also the result of project completions, as well as the decision not to budget for periodic renourishment of shore protection projects.

As part of a comprehensive strategy to reduce the construction backlog, the FY05 Budget focuses on completing those ongoing construction projects that are consistent with current policies and accelerating work on eight high-priority projects. We believe that narrowing the focus on funding and completing a smaller, more beneficial set of projects will bring higher net benefits to the Nation sooner. We need to be careful that we do not continually start new projects and subsequently stretch out the completion of existing ones. That is why the Budget proposes only three new starts of projects that have a very high benefit-cost ratio.

Maintenance Program

Water and related land resource management facilities of the Civil Works Program are aging. As stewards of this infrastructure, we are challenged to ensure that it continues to provide an appropriate level of service to the nation. Sustaining such service, and the resultant flows of benefits, through proper operation and maintenance projects, is becoming increasingly more expensive as infrastructure ages.

The "Operation and Maintenance (O&M) Program" includes costs funded under the Operation and Maintenance, General, and Mississippi River and Tributaries, Maintenance, appropriation accounts, for the operation, maintenance and security of existing river and harbor, flood and storm damage reduction, aquatic ecosystem restoration, owned and operated by, or on behalf of, the Corps of Engineers, including administrative buildings and facilities and laboratories. Funds are also included for surveys and charting of northern and northwestern lakes and connecting waters, clearing and straightening channels, and removal of obstructions to navigation. Work to be accomplished includes dredging, repair, and operation of structures and other facilities, as authorized in the various River and Harbor, Flood Control, and Water Resources Development Acts. Related activities include aquatic plant control, monitoring of completed coastal projects and, removal of sunken vessels.

The FY05 budget includes \$1.926 billion for the Operation and Maintenance Program. In an effort to improve the efficiency of our investment in operation and maintenance, we are looking closely at how we determine the appropriate level of service and the amount of spending needed to support that level of service. Furthermore, we are searching for ways to reduce costs and thereby accomplish more with available resources.

CIVIL WORKS PROGRAM TRANSFORMATION

Throughout its long and distinguished history, the Civil Works Program has continually changed in response to advances in science, methods, and processes, changing public values and priorities, and laws. For our program to remain a viable contributor to national welfare, we must remain sensitive to such factors, and continue to reorient, rescope, and refocus the program in light of them. To that end, I'm committed to reforming the Civil Works Program to meet the nation's current water and related land resource management needs.

We have been working very hard internally, within the Corps of Engineers, to transform. We are making our processes more open, and more collaborative. We are working to revitalize our planning capabilities, and to become more efficient, more centralized, with one planning center for each of our eight divisions.

We are becoming a team of teams within the organization, focusing on eight regional business centers, which will move efficiently and deliver service to the public and the armed forces.

Let me tell you about some of the major steps we've already taken:

- We are continuing to spread the spirit and the word of the Corps' Environmental Operating Principles - a clear commitment to accomplishing our work in environmentally sustainable ways - with the express purpose of instilling the principles as individual values in all members of the Corps team.
- We are continuing a rigorous training curriculum to improve our planning capability. This will ensure that the best science is applied in project development and that our planners will integrate economics and ecology in developing Corps projects. We're cooperating with major universities and have begun to sponsor graduate education in water resources planning. We've re-instituted our very successful Planning Associates Program, the first class graduated last year.
- Our FY05 Budget for the Research and Development (R&D) Program includes funding to improve economic models. One of our principal efforts will be to focus on economic methods and tools for navigation evaluations designed to address, update, and improve specific models, and to address modeling issues raised by the Corps and others. We need to make substantial modeling advances to support decision making on proposed major investments.
- We have redoubled our efforts to engage federal, state, and local agencies, stakeholders, and the public in meaningful dialogue. We have brought the major resource agencies to the table to assist in decision-making.
- The Corps and ASA(CW) have allocated additional resources to strengthen our internal review capability, and are considering other measures to further improve such capability. With our restructuring under USACE 2012, we have just created an Office of Water Project Review here in Headquarters which effectively doubled the size of our policy compliance review staff. The goal is to have our economists, plan formulation specialists, and environmental reviewers focus on early involvement in study development to assure compliance with established policy as projects are being developed. This group is equipped to additionally oversee administration of external independent review on controversial and complex projects through contracts with outside experts. Over the past year, we have also developed a series of policy compliance checklists to assist District and Division Commanders in the early identification and resolution of issues. I am committed to working with field commanders in providing training, lessons learned and other tools to strengthen the policy compliance quality control/quality assurance process.

- We are making good progress on developing a new Civil Works Strategic Plan that emphasizes the sustainable development, management and protection of our Nation's water and related land resources.
- We have established 5 national planning centers of expertise staffed with engineers and scientists --- a step that is essential for successfully addressing the issues that increasingly arise in planning a water resources project, especially those that are costly, complex, or controversial, or which otherwise require very specialized planning work.

We're committed to change that leads to open and transparent modernization of the Civil Works Program for the 21st Century. To this end, we're committed to continuing the dialogue with you and the Corps Reform Network Steering Committee. Additionally, I have issued communication principles to ensure open, effective, and timely two-way communication with the entire community of water resources interests. We know well that we must continue to listen and communicate effectively in order to remain relevant.

NEED FOR A MORE ROBUST BUSINESS MANAGEMENT SYSTEM

Introduction

We have a reputation as the world's premier public engineering organization, which we aim to keep. Our challenge, to this end, is to "stay at the leading edge" in service to the Army, federal government, and nation. The degree to which we will succeed will depend largely upon improved business operations. To enable providing service of highest relevance, we must improve our operations for more expeditious and productive performance. In recognition of this, I have been engaged, throughout my tenure as Chief, in an effort, initiated by my predecessor, to reengineer the organizations and business operations of the Corps of Engineers Civil Works and Military Programs. In that effort we have selected the project management way of doing business, or "modus operandi," as the basis for developing a business management system and attendant organizations and operations. Accordingly, we have come to call our effort the Project Management Business Process (PMBP) Initiative.

Project Management Business Process Initiative

Rationale for Selection

Our philosophy is that everything we do is a project, and every employee is a member of some one or more project teams. Selection of the project management modus operandi as the basis for developing a business management system is consistent with this philosophy. Furthermore, the Corps has used project management principles and methods in accomplishment of much of its business throughout its existence, providing

seamless, flexible, efficient, and effective service for its customers. Applying this highly successful model to all of our business was eminently logical.

Purpose

In order that our 41 districts, 8 laboratories, 2 centers, and 8 divisions to work together as one United States Army Corps of Engineers (USACE), we established common business practices that transcend organizational and geographic boundaries. Accordingly, the purpose of our PMBP Initiative is to develop, implement, and sustain a set of modern, standardized business processes, based on industry's best business practices, and an automated information system (AIS) to facilitate use of the PMBP throughout USACE. In short we call our Project Management AIS "P2"

Implementation

The PMBP Initiative focuses on the business relationships between and among people, including customers and stakeholders; process, and communication. To create and sustain the PMBP we must examine and define, to the PMBP system, how we do our work. In the process, we are transforming ourselves into a customer-focused, team-based, learning organization. Implementation of PMBP will be accomplished in four steps, described below, under the aegis of subject matter experts from all functions and echelons of the Corps.

Business Process Manual

The PMBP Manual provides guidance for achieving our policy and doctrine. It establishes standard business processes for Corps-wide application that: ensure consistency in program and project execution,

- focus on meeting customer expectations,
- set parameters for means to measure progress across the entire organization, and
- enhance our ability to function both regionally and virtually with efficient management of diverse resources.

These standard business processes are used to accomplish project delivery and provide services. They enable sharing workforce resources throughout the Corps to complete projects. If a project delivery team needs someone with a particular skill to accomplish work on its project, it can borrow service of whomever may be available with that skill in any Corps office. The processes enable effective management of projects in all lines of business in our Civil Works and Military Programs. The processes are open for continuous improvement, giving all team members opportunity to change them for the better. This will lead to addressment of concerns of project managers, technical

experts, and customers to assure improvements in quality, project performance, and customer satisfaction.

Automated Information System "P2"

Management of projects in accordance with the PMBP will be facilitated through use of "P2" - an automated information system. This system, expanding upon and replacing PROMIS, will be used by the Corps team for project delivery in all lines of work. It comprises commercial-off-the-shelf (COTS) software configured with templates of our standard business processes to assist project delivery teams in managing their projects. The manufacturers of this software - Oracle, Primavera, and Project Partners - are assisting the Corps in configuring the software to provide the templates.

P2 software employs state-of-the-art technology embracing program and project management best-practices and enabling compliance to our PMBP Business Manual. P2 will become the principal tool of Corps project and technical managers in collecting, manipulating and storing program and project data. P2 provides a single source of all project-related information for all programs and projects managed by field commands, and will interface with other modernized systems to assure single-source data entry. P2 will enable streamlined project and resource management, affording wider availability and Web interfaces. And, finally, because of lower costs to maintain and upgrade COTS software in future years, P2 will be more cost-effective than PROMIS.

PMBP Training

We have developed a training curriculum to promote PMBP as our new way of conducting business within the Corps and to guide individuals and organizations in the progressive development of skills for using PMBP. The curriculum promotes cultural change through individual self-paced compact-disk courses followed by small group discussions on the courses. Each individual covers the material and shares his/her interpretation with others in facilitated small group discussions. This process promotes common understanding of PMBP, its purpose, the roles of individuals, and the means to develop projects through teamwork.

Summary

In summary, the PMBP is being implemented Corps-wide to manage all Corps projects more efficiently and effectively. Supporting policy and doctrine, definitions of our business processes, and curriculum are now in place Corps-wide. We are currently in the process of deploying P2 throughout the Corps. P2 is scheduled to be fully deployed during June of this year. Once fully deployed, the PMBP system will greatly enhance our ability to better support the Army, other federal agencies, and the nation.

VALUE OF THE CIVIL WORKS PROGRAM TO THE NATION'S ECONOMY**The National Welfare**

Water resources management infrastructure has improved the quality of our citizens' lives and supported the economic growth and development of this country. Our systems for navigation, flood and storm damage reduction projects, and efforts to restore aquatic ecosystems contribute to our national welfare. The stream of net benefits, realized as reduced transportation costs, avoided flood and storm damages, and improvements in environmental value can be considerable.

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 infrastructure, Civil Works Program research and development contributes to the national economy.

VALUE OF THE CIVIL WORKS PROGRAM TO THE NATION'S DEFENSE**The National Defense**

The Civil Works Program is a valuable asset in support of the National Security Strategy in that it provides a way to maintain a trained engineering workforce, with world-class expertise, capable of responding to a variety of situations across the spectrum of national defenses. This force is familiar with the Army culture and responsive to the chain of command. Skills developed in managing large water and land resource management projects transfer to most tactical engineering-related operations. As a byproduct, Army Engineer officers assigned to the Civil Works Program receive valuable training, in contracting and managing large projects.

The Corps of Engineers continues to contribute to the ongoing war on terrorism, as our civil works experience proves invaluable in restoring and rebuilding Iraqi and Afghanistan infrastructure. To date, over 1,000 Corps soldiers and civilians have volunteered to serve in Iraq, sharing their technical knowledge and expertise along with their project management skills and experience with Iraqi Engineers and other professionals. Corps employees have also served in other Central Command areas of operations providing a wide range of services and support to the CENTCOM commander's efforts.

In Iraq, we have been deeply involved in the restoration of the Iraqi Oil industry. Our involvement has helped ensure that more than 268 Million Barrels of crude oil have been exported, resulting in more than seven billion dollars being returned to the Iraqi

economy. This income is forming the basis of the emerging national economy in Iraq, with much of the profit being reinvested in restoring Iraqi infrastructure. We are also assisting in the procurement of refined oil products in Iraq, which are essential to every day life in Iraq.

The Corps is proud to have worked closely with the Coalition Provisional Authority, U.S. Agency for International Development, and the Iraqi Governing Council in restoring reliable electricity throughout Iraq. When it became obvious that years of neglect and sabotage had brought the Iraqi electrical power production and transmission to near collapse, the Corps, working with the CPA and USAID exercised its time-proven civil emergency response capabilities and provided a much-needed boost to electricity delivery across Iraq. We continue to assist the CPA and USAID in electrical power production and distribution, and today, the average Iraqi has greater access to electricity than he had before the war. No longer is access to electricity a measure of loyalty to the Iraqi regime.

The Corps is also playing a major role in securing and making safe the more 600,000 tons of former regime munitions spread cross Iraq through our Captured Enemy Ammunition mission. As of February 10, 350,000 tons of captured enemy ammunition had been secured and protected from the hands of saboteurs and terrorists. Another 43,00 tons has been destroyed. This mission is vital to the safety of our soldiers, coalition partners, and innocent citizens of Iraq, as it helps deny terrorists access to raw materials they need to make weapons and explosives.

We are also contributing to the continuous improvement of the safety and quality of life for soldiers, sailors, airmen and marines in both Iraq and Afghanistan as we continue to construct and upgrade their living and working areas. In Afghanistan, we are also working with the USAID and the Ministry of Transportation as they restore the infrastructure necessary for a prosperous Nation.

Homeland Security

In addition to playing an important role in supporting the war on global terrorism. We are providing security for critical physical infrastructure, throughout the nation, including components of transportation, water, and power systems vital to our Nation's welfare. The Corps is also a key member of the Federal Response Plan team with proven experience in support of disaster response.

The Civil Works Program has completed over 300 security reviews and assessments of our inventory of locks, dams, hydropower projects and other facilities. We have improved our security engineering capability and prioritized infrastructure and are currently implementing recommended features at the highest priority security improvement projects.

For FY05, \$84 million is targeted for security enhancements at key Corps facilities. Facility security systems can include cameras, lighting, fencing, structure hardening, and access control devices designed to improve detection and delay at each facility

CONCLUSION

Under both our Civil Works and Military Programs, we are committed to staying at the leading edge in service to the nation. In support of that, we are working with others to transform our Civil Works Program. We're committed to change that leads to open and transparent modernization of the Civil Works Program for the 21st Century. We also are strengthening our business management capability for best performance of both programs Corp-wide.

Thank you, Mr. Chairman and Members of the Committee. This concludes my statement.

**STATEMENT OF
BENJAMIN GRUMBLES
ACTING ASSISTANT ADMINISTRATOR FOR WATER
U.S. ENVIRONMENTAL PROTECTION AGENCY
BEFORE THE
SUBCOMMITTEE ON WATER RESOURCES AND ENVIRONMENT
COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE
U.S. HOUSE OF REPRESENTATIVES**

February 26, 2004

INTRODUCTION

Good morning, Mr. Chairman and Members of the Subcommittee, I am Ben Grumbles, Acting Assistant Administrator for Water at the United States Environmental Protection Agency (EPA). I appreciate the opportunity to be here today to speak to you about the President's fiscal year (FY) 2005 budget request for EPA's water programs an amount totaling over \$2.9 Billion, or 38% of the Agency's overall request.

The President's budget request provides funding for the Office of Water to help carry out our mission of protecting human health and the environment. With this FY 2005 budget request, EPA places particular emphasis on making greater progress in achieving and maintaining water quality through monitoring, conservation, and restoration. As Administrator Leavitt said at a recent budget briefing, "The challenge of the next decade is to take the giant leap forward in the velocity of environmental progress and to stay competitive as a nation as we do it." This budget allows EPA to continue enhancing our core water programs through collaboration with our Federal, State, Tribal, and non-governmental partners and through innovative approaches such as water quality trading and water efficient product labeling.

PRIORITIES

Since enactment of the Clean Water and Safe Drinking Water Acts, we have worked together at all levels to make significant progress in improving the quality of surface waters and the safety of drinking water. Despite improvements, serious water pollution and drinking water problems remain. At the same time, population growth continues to result in increased water pollution, and in greater demands on wastewater and drinking water systems. Through collaboration, science and technology, and results-oriented and market-based approaches, we can maintain the success of the past 30 years and accelerate the progress over the next generation.

EPA, the States, and Tribes work together to achieve safe sources of drinking water, edible fish, swimmable beaches, and healthy watersheds. For every waterbody, the building blocks necessary to achieve water quality goals in that waterbody are the same: setting appropriate standards; monitoring; assessment; planning; implementation, including permitting; and reevaluation through more monitoring. The success of any one of these essential activities depends on the quality with which the other activities are performed.

In FY2005, the President continues the commitment to long-term funding for infrastructure improvements and to address the infrastructure gap. EPA is requesting \$850 million for the Clean Water State Revolving Fund (CWSRF). EPA continues its commitment to extend the CWSRF funding through FY2011, which will result in a long-term revolving level of \$3.4 billion. The President also proposes to extend Federal support for the Drinking Water State Revolving Fund (DWSRF) so that it can revolve at

a higher projected level of \$1.2 billion per year, even after Federal capitalization ends. Addressing the infrastructure gap will also require actions and innovations to reduce demand for infrastructure. The President's budget proposes a water product labeling program that will reduce water demand and wastewater flows by promoting the recognition of water-efficient products.

The President's request also includes a strong watershed-based focus with additional funding for water quality monitoring, the Great Lakes, and the Chesapeake Bay through targeted watershed grants. EPA's Office of Water will give priority to actions and partnerships that advance monitoring, conservation and restoration.

Water Quality Monitoring

EPA's fiscal year 2005 request will be the first step toward solving the well-documented shortcomings of the Nation's water quality monitoring. The most cost-efficient, practical means of making the most of scarce resources is information-based management that uses tools such as prevention, source water protection, watershed trading, and permitting on a watershed basis. Monitoring is the foundation for information-based environmental management. It is imperative that we close data and information gaps since such gaps: lead to market and regulatory failures, thwart our ability to document progress, and limit our ability to effectively target our scarce resources. Without adequate monitoring data, the managers of water programs cannot accurately inform the public about the condition of the Nation's waters; make wise management decisions; demonstrate the success or failure of those programs; or verify

that resources are being used cost-effectively. Federal, State, and local monitoring data are essential for States to carry out their responsibilities for Clean Water Act requirements.

Increased funding for water quality monitoring will provide critical data for States and others to: make accurate watershed-based decisions; develop appropriate standards and total maximum daily loads (TMDLs); and, accurately and consistently portray conditions and trends. The largest component of the FY2005 water quality monitoring request is \$17 million for States through Clean Water Section 106 grants; these funds will be specifically targeted for water quality monitoring activities. In addition to the \$17 million to assist States and Tribes, EPA is requesting \$3 million for the Agency to enhance water quality data systems and technical assistance and guidance to our partners.

Great Lakes

The Great Lakes, which include Superior, Michigan, Huron, Erie and Ontario, are an important part of the physical and cultural heritage of North America. Spanning more than 750 miles from west to east, these vast inland freshwater seas have provided water for consumption, transportation, power, recreation and a host of other uses. Today the Great Lakes basin is home to more than one-tenth of the population of the United States and one-quarter of the population of Canada. Some of the world's largest concentrations of industrial capacity are located in the Great Lakes region. In spite of their large size, the Great Lakes are sensitive to the effects of a wide range of

pollutants. The sources of pollution include the runoff of soils and farm chemicals from agricultural lands, the waste from cities, discharges from industrial areas and leachate from disposal sites. Contaminated sediments are a significant problem in the Great Lakes basin. Although discharges of toxic substances to the Great Lakes have been reduced in the last 20 years, persistent high concentrations of contaminants in the bottom sediments of rivers and harbors have raised considerable concern about potential risk to aquatic organisms, wildlife, and humans. As a result, advisories against fish consumption are in place in most locations around the Great Lakes. The problem harbor and tributary areas in the Great Lakes basin have been identified and labeled as "Areas of Concern" (AOCs), with 31 of these AOCs located on the U.S. side of the Great Lakes.

To address the problem of contaminated sediment in the Great Lakes, the Great Lakes Legacy Act was passed in 2002. In support of the Great Lakes Legacy Act, which this Committee developed and advanced, EPA's FY 2005 request includes \$45 million in funding for contaminated sediment cleanup activities. In FY 2005, the Agency plans to begin cleanup on six new sites, which will lead to the remediation of over a quarter million cubic yards of contaminated sediments.

In addition to the request for the cleanup of sediment in the Great Lakes, EPA is proposing an additional \$3 million for Lakewide Management Plans and Remedial Action Plans, bringing the total for these activities to \$5.7 million. This will help initiate projects to restore impaired beneficial uses at Great Lakes Areas of Concern and will

support State and local governments in their development and implementation of Great Lakes restoration plans.

Chesapeake Bay and Targeted Watersheds

As the largest estuary in the United States and one of the most productive in the world, the Chesapeake Bay was this nation's first estuary targeted for restoration and protection. The Chesapeake Bay Program is a unique regional partnership leading and directing restoration of the Chesapeake Bay. EPA's mission is to lead and empower others to protect and restore the Chesapeake Bay ecosystem for future generations. The Bay Program is working on three priority areas identified by scientists as needing immediate attention – nutrient over-enrichment, dwindling underwater Bay grasses and toxic pollution. In recognition of this incredible natural resource, the FY2005 budget request includes additional funding for the Bay through the Targeted Watershed Grant program.

The Targeted Watershed Grant program will enter its third year supporting competitive grants to watershed stakeholders ready to undertake immediate action to improve water quality and to improve watershed protection measures. The Targeted Watershed Grants program has the strong support of hundreds of State and local watershed groups across the country. In its first year (FY'03), EPA invited Governors and Tribal Leaders to nominate their most meritorious watersheds with protection or restoration plans. In response, EPA received an impressive 176 nominations including projects in every State, Puerto Rico and the Virgin Islands. Of these, EPA awarded

grants for 20 excellent watershed restoration projects throughout the country – from Maine to Hawaii. This year EPA is requesting an additional \$5 million for a total of \$25 million for targeted watershed grants in FY05. Of this total, \$10 million will be set-aside for a new regional pilot program. For 2005, the pilot will take place in the Chesapeake Bay watershed, and will focus on helping publicly-owned treatment works (POTWs) reduce nutrient discharges to the Bay through nonpoint source projects.

Targeted Watershed grants will also provide an opportunity to demonstrate the effectiveness of market-based approaches, such as water quality trading. Within the \$25 million provided for these grants, there will be a \$4 million set-aside for projects that focus on water quality trading. Pilot projects will offer the opportunity to establish new criteria by which to judge the effectiveness of various approaches. A key area for investigation will be that of cost savings; information collected from trading projects suggest that the cost savings can be significant. Trading among point sources in Connecticut is expected to save over \$200 million dollars in reducing nitrogen loads to Long Island Sound over a 14-year period. After its first year, the Connecticut program has achieved more nitrogen reductions than expected and cut nearly six years off the projected timeline for meeting water quality standards.

Permitting

The FY2005 President's Budget provides additional funding over our FY2004 request to help address water quality issues. In recent years the authorized State NPDES programs have been the object of an increasing number of withdrawal

petitions, citizen lawsuits, and independent reviews suggesting potential noncompliance with Federal CWA requirements. In addition to these challenges, the universe of facilities has increased ten-fold due to new program requirements to permit Concentrated Animal Feeding Operations (CAFOs) and additional sources of storm water. To assist States with the increasing permitting workload, EPA is requesting a \$5 million increase for Clean Water Section 106 grants.

Wetlands

The Administration is committed to a regulatory program aimed at no net loss of wetlands and towards initiatives and partnerships to improve their overall condition. The Agency is investing \$20 million to help State and Tribal partners implement more effective wetland programs, including those that protect wetlands and waters not covered by the Clean Water Act. Working with States, the Army Corps of Engineers, and other partners, we will build our capacity to measure wetland function and condition, as well as wetland acreage.

State and Tribal Performance Fund

The Administration believes that the best way to ensure strong, effective programs is to promote accountability, competition, and performance. The President's Budget includes a new \$23 million State and Tribal Performance Fund that will award grants on a competitive basis for environmental programs. These funds will allow States and tribes that can link their proposed activities to public health and

environmental outcomes to receive additional assistance. EPA expects that water activities will receive a significant portion of these funds, and we are pleased to be able to provide States and tribes with another tool to protect and restore the environment.

CLOSING

In FY2005 EPA will continue taking a watershed approach to environmental protection. This approach calls for setting watershed goals, assessing conditions, determining the sources of concern, addressing them using regulatory and voluntary tools, and then reevaluating and adapting plans as new information becomes available. By focusing and integrating the work of EPA with other Federal agencies, States, Tribes, local governments, business and nonprofit organizations in watersheds, we are able to pool information, resources and authorities and focus our collective energies on our common environmental objectives. In watersheds, we can better understand the cumulative impact of activities, determine the most critical problems, better allocate limited financial and human resources, engage stakeholders, win public support, and make real improvements in the environment.

The Water Program has joined other agencies in successfully promoting this watershed approach as a way of integrating and focusing our efforts on environmental results for several years. Our "Adopt Your Watershed" database now reports the existence of nearly 4,000 watershed groups across the country. Yet, we have learned through program evaluations that our watershed partners do not always have the CWA products they need to work efficiently and effectively (appropriate standards,

monitoring, assessments, appropriate plans, up-to-date permits). With the strengthening of these core building blocks, EPA will have a better chance at succeeding with important program innovations that focus on managing water resources at the watershed level, including trading, watershed permitting, and watershed-based TMDLs.

In conclusion, I look forward to working with the Subcommittee to address the needs of the water programs entrusted to EPA. The President's request supports the Office of Water's work and will allow us to continue to improve the protection and investment in water infrastructure as well as strengthen the core programs that are so vital to the improvements that we have achieved and will continue to achieve in the quality of our surface and drinking waters.

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**STATEMENT OF
MARIANNE HORINKO
ASSISTANT ADMINISTRATOR
OFFICE OF SOLID WASTE AND EMERGENCY RESPONSE
U.S. ENVIRONMENTAL PROTECTION AGENCY
BEFORE THE
SUBCOMMITTEE ON WATER RESOURCES AND ENVIRONMENT
U.S. HOUSE OF REPRESENTATIVES**

February 26, 2004

Mr. Chairman and Members of the Subcommittee, I am Marianne Horinko, Assistant Administrator of the Office of Solid Waste and Emergency Response (OSWER), U.S. Environmental Protection Agency (EPA). Also appearing today is Mr. Ben Grumbles, Acting Assistant Administrator for EPA's Office of Water. We are pleased to be here to discuss President Bush's budget request for EPA and our views on water infrastructure, brownfields, Superfund, and other programs that fall within the Agency's Offices of Water and Solid Waste and Emergency Response.

The President's budget provides the necessary funds for EPA to carry out our mission efficiently and effectively - to protect human health and safeguard the environment. The FY 2005 budget request is \$7.76 billion, which includes an increase from FY 2004 enacted levels for the brownfields program and a significant increase for Superfund cleanup construction.

The President's budget request reflects a continued commitment to protect our land, clean our air, and cleanse our water, efficiently and effectively - - without impairing the economy. The President' budget request includes increased funding for EPA's core operating programs for air, water, land, and enforcement.

OSWER PROGRAMS

Superfund

Once again, the President's budget requests a \$150 million increase for the Superfund remedial action program. This represents a \$124 million increase from FY 2004 appropriation levels. These funds are specifically targeted for cleanup construction activities, enabling the Agency to maintain cleanup progress at the more than 430 sites under construction and start construction cleanup at up to 12 additional Superfund sites over and above the cleanup EPA would have started in FY 2005. The additional funds will be used to begin construction at sites that pose the highest risk to human health and at sites that will reach construction completion over the next two years. The increase in the President's request will raise overall Superfund program funding to \$1.38 billion. The Superfund program not only protects human health and the environment by cleaning up toxic waste sites, but also works with both public and private partners to promote reuse and redevelopment of Superfund sites.

As of January 2004, cleanup construction has been completed at 892 private and federal National Priority List (NPL) sites. Since the less complex sites have been cleaned up, the remaining sites present more challenges. Cleanup construction projects are under way or completed at 93 percent of the sites on the NPL. In FY 2005, EPA expects the Superfund program to complete cleanup construction at 40 Superfund sites. This target continues to reflect the number of large, complex sites that have entered or are ready to enter the construction phase of the Superfund program. Last year, EPA added several new factors to measure Superfund program progress - - sites that have controls in place to prevent human exposure and sites with controls in place to prevent the spread of contaminated ground water.

The Superfund removal and emergency response program started 381 removal starts in FY 2003, and to date, has completed more than 7,000 removals at toxic waste sites to immediately reduce the threat to human health and the environment. In the past year, the program responded to the aftermath of the Space Shuttle Columbia accident, recovering more than 84,000 pounds of material, and more recently to the Ricin contamination found in U.S. Senate Office buildings.

Brownfields

The President's FY 2005 budget requests \$210.7 million for the brownfields program. This represents a \$40 million increase for brownfields cleanup funding from FY 2004 appropriation levels. To date, EPA funding has generated more than 4,400 brownfield site assessments and leveraged more than \$5 billion in cleanup and redevelopment funds. Through FY 2005, EPA will have provided more than 700 communities with assessment funding as well as 300 communities with cleanup funding. In FY 2005, the Agency estimates that EPA funding will be used to conduct 1000 brownfield site assessments which will leverage roughly \$1 billion in cleanup and redevelopment.

EPA is committed to building and enhancing effective partnerships that allow us to safeguard and restore land across America. Brownfields cleanup and redevelopment remains one of the Administration's top environmental priorities. The brownfields program will draw on these additional resources to enhance State and Tribal response programs that restore and reclaim contaminated and potentially contaminated sites. By protecting land and revitalizing contaminated sites throughout the United States, EPA continues to expand efforts to foster healthy and economically sustainable communities.

Oil Spill Program

The President's budget request provides \$16.4 million for EPA's oil program. EPA's oil program focuses on preventing oil spills from occurring, reduces the risk of hazardous exposure to people and the environment, and responds to spills when necessary. More than 20,000 spills are reported to the Federal government each year. EPA evaluates as many as 13,000 spills to determine if its assistance is required. On average, EPA either manages the oil spill response or oversees response efforts of private parties at approximately 300 sites per year.

EPA's spill prevention efforts protect inland waterways through oil spill prevention, preparedness, and enforcement activities associated with the more than 400,000 non-transportation related oil storage facilities that EPA regulates.

Homeland Security - Emergency Response

EPA plays a vital role in responding to hazardous material releases and preparing for, and responding to, terrorist or other intentional incidents because of our unique expertise and experience in emergency preparedness and response. The President's budget requests \$27.3 million for OSWER to provide targeted investments to strengthen the Agency's readiness and response capabilities, including the development of a dedicated "decontamination team," for the cleanup of critical buildings and infrastructure, state-of-the-art equipment, and highly specialized training for On Scene Coordinators (OSCs). For example, in support of the Federal Emergency Management Agency (FEMA), EPA OSCs provided incident command support as part of the Space Shuttle Columbia response. EPA will continue to conduct research and provide guidance and technical support for Federal, state, and local governments, and other institutions in the areas of building decontamination, water security, and rapid risk assessment.

INITIATIVES

EPA continues to focus on revitalization and innovation initiatives to promote a cleaner environment, encourage recycling and waste minimization, and advance innovative approaches to environmental challenges.

The Resource Conservation Challenge (RCC)

The Resource Conservation Challenge (RCC) is a voluntary program that seeks to improve resource conservation by developing partnerships with businesses, manufacturers, and consumers in key areas: product stewardship, priority chemical reduction, beneficial use of materials, energy conservation, and environmentally friendly design. When the RCC was launched in September 2002, we identified two goals: increasing the national recycling rate and reducing the generation of priority chemicals in hazardous wastes. We are beginning to identify additional goals that will lead to further resource conservation.

Some of the approaches EPA is using to help meet its goals, include: forming partnerships such as the National Waste Minimization Partnership Program; stimulating infrastructure development; providing education, training, outreach and technology assistance to businesses, government organizations, institutions and Tribes; and educating and increasing environmental awareness among consumers - - including youth and underserved communities. As an example, the RCC set a goal to reduce by 50 percent the presence of priority chemicals in hazardous wastes by 2005. Using a baseline that was set in 1991, this goal has already been met, with a reduction of 53 percent. For 2008, the RCC is developing a new goal that will not only

seek to further reduce priority chemicals in hazardous wastes, but also expanding the goal to all solid wastes and releases to the environment. This effort is a true collaboration, and it shows what can be accomplished when EPA and our external stakeholders work toward common goals.

Innovations Initiative

The Innovations Initiative supports land revitalization, recycling, waste minimization, energy recovery and partnerships through creative approaches. The pilot program funds innovative ideas to solving environmental challenges. For example, EPA is working with several Agency regions and states to develop one-call systems for institutional controls. In addition, EPA, working with the State of North Carolina, piloted a process to take pallet wood waste and convert it into flooring products, diverting three tons of waste from landfills. In fiscal year 2003, EPA selected 19 innovative pilots totaling \$800,000. In fiscal year 2004, EPA plans to select 12 to 20 pilots. States, Tribes, local governments and external stakeholders are being encouraged to participate by submitting applications. The innovation projects are coordinated and selected by a workgroup comprised of EPA Regions and Headquarters. EPA is also developing a series of other activities, including training, awards, and industry pilots.

CONCLUSION

I look forward to continuing to work with the Committee to address the Superfund and brownfields programs, and other programs entrusted to the Office of Solid Waste and Emergency Response. The President's budget request for EPA will help ensure that we are able to accomplish the Agency's important mission - to protect human health and safeguard the environment.

**STATEMENT BY ADMINISTRATOR ALBERT S. JACQUEZ
SAINT LAWRENCE SEAWAY DEVELOPMENT CORPORATION**

**SUBCOMMITTEE ON WATER RESOURCES AND ENVIRONMENT OF THE
HOUSE COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE**

FEBRUARY 26, 2004

The U.S. Saint Lawrence Seaway Development Corporation (SLSDC or Corporation), a wholly owned government corporation and an operating administration of the U.S. Department of Transportation (DOT), is responsible for the operations and maintenance of the U.S. portion of the St. Lawrence Seaway between Montreal and Lake Erie. This responsibility includes maintaining and operating the two U.S. Seaway locks located in Massena, N.Y., and vessel traffic control in areas of the St. Lawrence River and Lake Ontario. In addition, the SLSDC performs trade development functions designed to enhance Great Lakes St. Lawrence Seaway System utilization.

Since its opening in 1959, the binational St. Lawrence Seaway has been a vital transportation corridor for the international movement of bulk commodities such as steel, iron ore, grain, and coal, serving a North American region that makes up one quarter of the U.S. population and nearly half of the Canadian population. The binational waterway serves as a deep draft waterborne link between major U.S. and Canadian agricultural, manufacturing, and industrial cities, including Chicago, Detroit, Toronto, Cleveland, Duluth, Toledo, Milwaukee, Montreal, and Green Bay, and European, South American, and North African markets.

The SLSDC coordinates its activities with its Canadian counterpart, The St. Lawrence Seaway Management Corporation (SLSMC), particularly with respect to rules and regulations, overall day-to-day operations, traffic management, navigation aids, safety, environmental programs, security, operating dates, and trade development programs. The unique binational nature of the Seaway System requires 24-hour, year-round coordination between the two Seaway entities.

The SLSDC's principal performance goal is to provide a safe, secure, reliable, and efficient U.S. portion of the St. Lawrence Seaway to its commercial users. Since its opening in 1959, more than 2.3 billion metric tons of cargo has been transported through the combined sections of the St. Lawrence Seaway (Montreal-Lake Ontario and Welland Canal) with an estimated value of more than \$400 billion.

The navigation season typically runs from late March to late December. During the 2003 navigation season, the availability of the U.S. sectors of the Seaway, including the two U.S. locks maintained and operated by the SLSDC, was 98.9 percent; the annual goal is 99 percent. Weather and vessel incidents were the causes for all delays in 2003. Of the remaining factors that cause lockage shutdowns, the one that the SLSDC has the most control over is the proper functioning of lock equipment. During the 2003 navigation season, there were no system delays due to malfunctioning lock equipment.

FISCAL YEAR (FY) 2005 BUDGET ESTIMATE

The SLSDC's FY 2005 budget request provides the agency with the funding necessary to provide a safe, secure, reliable, and efficient waterway system for the movement of commercial goods to and from the Great Lakes region of North America.

The SLSDC FY 2005 proposed level of \$16,800,000, includes an appropriation request from the Harbor Maintenance Trust Fund of \$15,900,000 and an estimated non-appropriated \$900,000 in non-federal revenues. This proposed level will allow the agency to fund its 157 Full-Time Equivalent (FTE) staff and continue the day-to-day operational and maintenance programs for the U.S. portion of the St. Lawrence Seaway between Montreal and Lake Erie. These programs include managing vessel traffic control in areas of the St. Lawrence River and Lake Ontario, maintaining and operating the two U.S. Seaway locks, and continuing increased security-related activities that were initiated as a result of the terrorist-related events of September 11, 2001. In addition, the SLSDC performs trade development activities designed to enhance Great Lakes St. Lawrence Seaway System awareness and utilization.

The request also directly supports four of the five President's Management Agenda (PMA) initiatives (budget and performance integration, strategic management of human capital, financial performance improvement, and electronic government expansion; the SLSDC is exempt from competitive sourcing as a government corporation), the Department's strategic goals of Global Connectivity (efficient cargo movement) and Security (transportation system recovery), as well as the SLSDC's internal strategic goals. These agency goals include: safety, security, and the environment; reliability and availability; trade development; and management accountability. The request, separated by Departmental strategic goals and performance measures, includes \$15,650,000 in appropriated funds directed at maritime navigation programs and personnel, and \$250,000 towards the SLSDC's security and infrastructure protection activities.

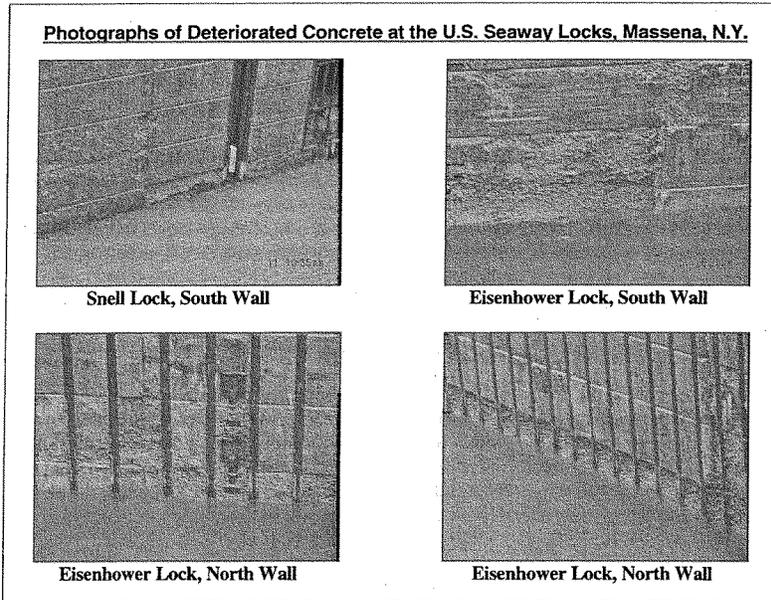
The SLSDC's budget request also includes funding for the Seaway Automatic Identification System (AIS) and the agency's financial management system, both of which support the PMA. The AIS system, which serves as one of the agency's "Expanding E-Government" PMA initiatives, utilizes Global Positioning System (GPS) to allow the SLSDC to more efficiently manage vessel traffic control and vessel transits at the U.S. Seaway locks. Implemented at the start of the 2003 navigation season, the Seaway became the first inland waterway in the western hemisphere to implement an operational AIS vessel traffic services system.

The SLSDC's financial management system supports the President's "Improving Financial Management" initiative and includes nine subsystems that allow Corporation officials to track all financial-related information and meet all independent auditor reporting requirements. The SLSDC has received 40 consecutive unqualified or "clean" financial audits since its first audit in 1955, a major achievement under the PMA initiative of financial performance improvement. The AIS system and the financial management system represent \$70,000 of the FY 2005 budget estimate. This amount is consistent with the FY 2004 request for operating and maintaining these two programs.

CONCRETE REPLACEMENT PROJECT

The FY 2005 appropriation request is \$1.627 million above the FY 2004 enacted level and is principally attributable to the planned concrete replacement project at the two U.S. Seaway locks. The Eisenhower Lock has a history of concrete problems, caused by the use of natural cement in the mix composition during the construction of the lock. Due to the amount of concrete in need of replacement, the difficulties associated with accessing these areas of deteriorated concrete, and the need for in-house maintenance crews to focus on other essential non-concrete lock maintenance projects, it is more efficient and cost effective for outside contractors to complete this project. The SLSDC's Office of Engineering has researched other solutions to the concrete deterioration problem and found that there are no other substances as effective as concrete in protecting the structural integrity of the lock chambers.

The concrete replacement work to take place in FYs 2005-2008 includes areas identified by the U.S. Army Corps of Engineers (USACE) in its 1991 lock survey and evaluation of the two U.S. Seaway locks (USACE Technical Report ITL-91-4, November 1991). The report concluded, *"It is important for the SLSDC to maintain an aggressive maintenance program of replacing deteriorated concrete. In the near future, attention should be given to the repair of deteriorated concrete near the bottom of the lock walls at Eisenhower Lock."*



Since 1991, the SLSDC has made in-house repairs to the most critical areas identified by the Corps, but further deterioration and harsh winter conditions have caused additional damage to the lock walls at Eisenhower Lock and newly-identified problems at the Snell Lock have also been targeted for replacement. In addition to concrete deteriorating along the lower portions of the lock walls, freeze-thaw damage is significant in the lock walls at high and low pool levels at both locks. As it deteriorates, pieces of concrete become dislodged and fall into the lock chambers. This poses a risk to people on the decks of commercial vessels and pleasure boats.

Due to the amount of concrete in need of replacement, the difficulties associated with accessing these areas of deteriorated concrete, and the need for in-house maintenance crews to focus on other non-concrete lock maintenance projects, it is more efficient and cost effective for outside contractors to complete the project than in-house personnel.

Between 1959 and 2003, the SLSDC expended more than \$25 million on concrete replacement at the two locks during the off-season winter months, with the majority of work taking place at the Eisenhower Lock. Most of the work over that time was completed with in-house labor. The last major concrete replacement projects that utilized contractors were completed in FYs 1986 and 1987, at a total cost of \$4.3 million. The Seaway is a single-lock system, consisting of 15 individual U.S. and Canadian locks; a delay/shutdown to any one of the locks would cause a delay/shutdown of the entire waterway. Although the SLSDC has never experienced a major lock failure, the Canadian Seaway agency suffered a lock failure at the Welland Canal in 1985, which trapped 53 vessels above the Canal for 24 days at a cost to the carriers of \$24 million.

ENHANCED SEAWAY INSPECTION PROGRAM

The SLSDC and the U.S. Coast Guard (USCG), in conjunction with Transport Canada and the SLSMC, signed a Memorandum of Understanding in March 1997 to develop a program of coordinated vessel inspection and enforcement activities to expedite the safe transit of shipping through the Great Lakes Seaway System. The principal goal of the Enhanced Seaway Inspection (ESI) program is to inspect all ocean vessels for safety and environmental protection in Montreal, Quebec, before they enter U.S. waters. Starting in 2002, security-related risk assessment inspections have been conducted concurrent with the ESI, further improving transit times for Seaway users. In 2003, the SLSDC continued this program and met its internal performance goal of inspecting 100 percent of all ocean vessels in Montreal (208 total inspections).

The ballast water exchange program continues to be an important function of the ship inspection program. These inspections are carried out concurrently with the ESIs, by Corporation personnel in Montreal. In 2003, 56 ballast water examinations were conducted in Montreal on ocean vessels transiting the Seaway. The SLSDC performed 31 ballast water examinations for subsequent trip vessels and eight follow-up examinations in Massena.

Prior to the inception of the ESI program, foreign flag vessels experienced numerous delays at the U.S. locks to accommodate USCG-required safety-related inspections, as well as ballast water management activities. Inspection in Montreal eliminates duplicative inspections, allows

for a seamless and efficient transit of the Seaway, and provides a better location for repair resources, if required. This improved inspection regime has saved each vessel, on average, four hours per transit and ensured that any safety or environmental issues are addressed prior to entering U.S. waters. As a result, ocean carriers using the Seaway saved more than \$500,000 in operating costs during the 2003 season. Seaway customers have responded favorably to the ESI program through annual customer surveys.

CRITICAL INFRASTRUCTURE AND NAVIGATION SECURITY MEASURES

The SLSDC has been proactive in implementing increased security measures following the events of September 11, 2001. Within days of the terrorist attacks, risk assessment inspections of all foreign flagged vessels were conducted in Montreal, prior to their entry into U.S. waters. This protocol was developed with the full cooperation of the Canadian SLSMC, as well as U.S. and Canadian law enforcement and Coast Guard personnel. The protocol was further refined in March 2002 when the risk assessment inspection was combined with the existing Enhanced Seaway Inspection (ESI) program. By combining the two inspections into a single process, foreign-flag vessels are not unnecessarily delayed for security screenings, unless the initial risk assessment compels an additional examination. During the 2003 navigation season, SLSDC inspectors completed 216 risk assessment inspections in Montreal.

Security procedures, both maritime and internal, were developed to ensure that security was enhanced while minimizing any impacts on the efficiency of Seaway operations. In late 2001, SLSDC inspection personnel logged substantially more staff hours in carrying out the risk assessment protocol than normally projected. However, when the protocol was refined in 2002 and merged with the existing ESI program, this impact was ameliorated.

Another major security milestone for the SLSDC was the expansion of the U.S. and Canadian Seaway mandatory Notice of Arrival requirement for all foreign commercial vessels. With the start of the 2002 navigation season, all foreign ships entering the St. Lawrence Seaway are required to give 96-hour advance notification of arrival in Montreal, Quebec. Ships failing to give complete notice are prohibited from entering the Seaway.

The notification requirement on the St. Lawrence Seaway is unique because it mandates 96 hours notice prior to arrival in Montreal, as opposed to all other U.S. waterways which require the notice prior to reaching the first U.S. port of call. This modified requirement was needed due to the geography of the key U.S. ports on the Great Lakes Seaway System, which are several hundred miles into U.S. waters and, in many cases, require transit of all 15 Seaway locks before reaching the port. The Seaway's 96-hour notification requirement provides SLSDC officials, as well as law enforcement and intelligence agencies, even more advance notice (approximately 10 additional hours) to review vessel crew lists and manifests before the vessel enters U.S. waters. The SLSDC immediately sends the pre-entry information it receives to the USCG, which in turn submits the information to its National Vessel Movement Center for screening through various law enforcement databases.

Other U.S. and Canadian agencies involved in the development of both the risk assessment inspection program and 96-hour notification requirement included Transport Canada, Citizenship and Immigration Canada, Canadian Navy, Royal Canadian Mounted Police, U.S. Customs, U.S. Immigration and Naturalization Service, and the U.S. Consul General's Office in Montreal.

In February 2002, the SLSDC contracted for services to assess the physical security for SLSDC infrastructure and workplace assets in Massena. This assessment was intended to supplement and enhance an initial security assessment that was conducted immediately following September 11. The assessment focused on the two U.S. Seaway locks, the Eisenhower Lock Visitors' Center, and the SLSDC's marine base/maintenance facility. In addition, another contractor conducted a detailed blast analysis of the highway tunnel under the Eisenhower Lock. Based on the contractor's recommendations, the SLSDC has made and continues to make several security enhancements and improvements to the lock infrastructure and other workplace assets. It is estimated that the SLSDC will expend more than \$2.2 million in other-than-personnel security enhancements and improvements during fiscal years 2002 through 2005.

Significant security-related enhancements and improvements made to date include:

1. Installation of approximately 4,400 feet of additional eight foot high, chain link fencing and various slide and swing gates. Gate controllers will not be installed until the fiber optic system is installed.
2. Purchase of a Nasatka portable vehicle barrier to shut down or control access, as needed, to our facilities, particularly the Eisenhower Lock highway tunnel. This vehicle barrier has been deployed during elevated threat level conditions.
3. Construction of approximately 61 concrete "jersey barriers" topped with a four foot high section of chain link fence to keep vehicles and pedestrians in the Visitors' Center parking lot from approaching too close to the lock structure. These barriers, built at a considerable cost savings with in-house labor, will also be used in conjunction with the Nasatka portable vehicle barrier to shut down or control vehicular traffic.
4. Completion of several improvements at the Eisenhower Lock Visitors' Center, including (a) fencing of both ends and the lock side of the lower and upper observation decks, (b) closure of some ground level observation area to visitors, (c) movement of visitor parking areas further away from the lock chamber, and (d) setup of a security checkpoint at the Center entrance with a security guard on duty during operating hours.

In FY 2003, the SLSDC contracted with the firm of Edwards and Kelsey to conduct an engineering plan for the implementation of other security-related enhancements recommended in the previous assessments. At the end of FY 2003, the SLSDC finalized plans to install a fiber optic network necessary for the electronic-based security enhancements. In FY 2004, the fiber network will be installed and the purchase and installation of video cameras and smart card/EZ pass systems for access to gates and buildings will be finalized. The SLSDC will contract with an "8-a, small business" firm for the installation of the security enhancements. In FY 2005, the SLSDC will continue to aggressively pursue the objectives of its security program, which includes greater protection of SLSDC facilities, new and improved measures for employee and

visitor entry into facilities, and planned contingencies for facilities/infrastructure in the event of a heightened security alert.

The SLSDC fully participated in the U.S. Department of Transportation's role in the TOPOFF 2 weapons of mass destruction response exercise mandated by the U.S. Congress and conducted in May 2003. The agency is currently participating in several preparatory exercises that will culminate in "Exercise Forward Challenge '04" – the government-wide continuity of operations exercise that is scheduled for May 12-13, 2004.

In addition, the SLSDC will continue to work cooperatively with security and intelligence officials at both the Departments of Transportation and Homeland Security to ensure that the St. Lawrence Seaway, and its navigation assets, is protected to the maximum extent possible. This relationship was highlighted by the General Accounting Office's Top FY 2004 Management Challenges for the Department of Transportation (Establishing and Managing an Ongoing DOT/Department of Homeland Security (DHS) Programmatic Relationship).

The SLSDC has worked closely with DHS and the Transportation Security Administration (TSA) since their inception. In February 2002, the Corporation contacted officials in the TSA Explosives Unit to request its consultation on security concerns regarding the Eisenhower Lock highway tunnel. Additionally, SLSDC security and emergency staff have also conducted a series of informational meetings with TSA officials from its Office of Maritime and Land Security to educate them on those same issues. To date, SLSDC/TSA interactions have proven to be informative, constructive, and useful.

TRADE DEVELOPMENT INITIATIVES

Since 1985, the SLSDC has performed trade development and promotional activities geared at generating trade to and from North America via the Great Lakes Seaway System. Program-wide activities include hosting overseas trade missions that promote the entire Seaway System at maritime and trade-related exhibitions, developing commodity-specific marketing plans, and working directly with ports, carriers, terminal operators, labor, and importers/exporters in the development of promotional materials and initiatives. Overseas trade missions, which include U.S. and Canadian maritime, government, industry, and labor delegates, have led to the development of new international cargo movements into the System. Since 1985, the SLSDC has sponsored 26 trade missions to 56 cities in 37 countries. In October 2003, the SLSDC led a 23-member delegation of U.S. and Canadian Great Lakes executives to Belgium and The Netherlands, two of the Seaway's largest trading partners.

In addition to overseas trade missions, the SLSDC is working with various Great Lakes Seaway System port authorities, the Great Lakes Cruising Coalition, the Great Lakes Waterways Management Forum, state and local governments, and tourism associations, to attract cruise vessels into the Great Lakes. Also, the SLSDC is working on joint trade development initiatives with the Canadian SLSMC to maximize the use of waterborne transportation as North American highways become more congested, including the examination of the Seaway System for short sea shipping movements and niche container trade as well as exploring partnerships with other inter-

modal connections in an effort to generate new business for the Seaway System.

In an effort to provide its global customers with a single portal for news and information related to the Great Lakes Seaway System commercial navigation, the SLSMC and SLSDC developed and launched a binational Internet web site (www.greatlakes-seaway.com) in 2001 that has been extremely well received domestically and internationally from the maritime and trade communities. In 2003, average monthly site page hits grew from 70,000 in 2002 to more than 120,000 hits. The site recorded an all-time high in December 2003 with 153,000 page hits, and received more than 1.4 million hits for the year from viewers in more than 110 countries.

U.S. ARMY CORPS OF ENGINEERS' GREAT LAKES ST. LAWRENCE SEAWAY STUDY (GLSS)

The Water Resources Development Act of 1999 directed the USACE, in consultation with DOT (through the SLSDC), to undertake the GLSS to examine improvements to the commercial navigation infrastructure of the Great Lakes St. Lawrence Seaway System. Since January 2001, the USACE has partnered closely with DOT/SLSDC to carry out the GLSS's reconnaissance phase.

The USACE completed a two-year reconnaissance study in February 2003 and concluded that more analysis was needed to determine if a federal interest exists to improve the commercial navigation infrastructure on the Great Lakes and Seaway. The current scope of the GLSS is to establish a 50-year baseline for the current infrastructure to analyze the engineering, economic, and environmental consequences of maintaining, and not maintaining that infrastructure at its current level of reliability. The GLSS is primarily a commercial navigation study, but as evidenced by the composition of the Steering Committee, it will include environmental considerations.

On May 1, 2003, the U.S. Department of Transportation and Transport Canada signed a Memorandum of Cooperation that established the intent of each agency to work together to ensure the future viability of the Great Lakes Seaway System as a commercial navigation waterway. Memorializing this intent in the MOC document cleared the way for Canada to work together with the USACE and DOT on the GLSS.

Currently, all projects related to the revised scope of the GLSS are underway (engineering, economics, and environmental), along with meetings of the GLSS Steering Committee. The Steering Committee is made up of the senior level officials from USACE, DOT, Transport Canada, SLSDC, Canadian SLSMC, as well as representatives from the U.S. Fish and Wildlife Service and Environment Canada.

SEAWAY AIS/GPS PROJECT

Since 1992, the SLSDC has worked with the U.S. Department of Transportation's Volpe National Transportation System Center and Canadian partners to design and implement state-of-the-art AIS/GPS navigation technology.

On March 31, 2003, with the start of the navigation season, the U.S. and Canadian Seaway agencies began enforcing mandatory AIS use on commercial vessels entering the waterway in North America to employ this technology as a requirement for transit. The AIS/GPS project represents a major step forward in marine navigation technology. In fact, the Seaway is currently the world leader in developing shore-side applications for AIS/GPS.

AIS technology uses data from ship-to-ship, ship-to-shore, and shore-to-ship, thereby enabling a constant two-way communication between mariners and the three Seaway vessel traffic control centers. Originally developed primarily for safety reasons, AIS has become increasingly of interest to maritime security officials in the post 9/11 environment as it offers the ability for them to track any vessel carrying a transponder with great precision.

In the near future, permanent installation of AIS equipment will be required onboard commercial vessels in the entire Great Lakes St. Lawrence Seaway System from the Lakehead in Duluth, Minn., to traffic entering the Gulf of St. Lawrence on the Atlantic. Adoption of the technology, which has been approved by the International Maritime Organization, was embraced early on by the Canadian Shipowners Association and the Shipping Federation of Canada, both of which provided technical and financial assistance. The Department's Volpe National Transportation Systems Center served as technical contractor for development of the AIS project, which began almost a decade ago. AIS will soon be required internationally on commercial vessels and will be mandatory throughout the Great Lakes Seaway System by December 2004.

2003 NAVIGATION SEASON OVERVIEW

The estimated tonnage for the combined sections of the St. Lawrence Seaway in 2003 was 40.9 million metric tons. This was 500,000 metric tons or 1 percent below the 2002 total (a decrease of 1 percent). The decrease can be attributed, in large part, to higher global freight rates, weaker U.S. dollar valuation, the continuation of grain export reductions (7 percent decrease) due to lower European grain imports, and significant reductions to general cargoes, including iron and steel products (38 percent reduction). The reduction of import steel also had a secondary effect on export grain. It is estimated that approximately 20-30 percent of ocean-going vessels exporting grain from the Great Lakes Seaway System enter the waterway carrying steel. The final weeks of the navigation season did result in high levels of grain movements on Canadian lakers as the Canadian Wheat Board began moving more grain exports via the St. Lawrence Seaway. In addition to cargo movements, estimated total commercial transits through the St. Lawrence Seaway were on par with 2002 levels at 3,886 transits.

Several commodities posted increases in 2003: iron ore (up 10.5 percent to 10.7 million metric tons); coal (up 33 percent to 4.1 million metric tons); petroleum products (up 2 percent to 1.8 million

metric tons); salt (up 17 percent to 2.3 million metric tons); stone (up 8 percent to 800,000 metric tons); potash (up 48 percent to 144,000 metric tons); ores and concentrates (up 68 percent to 357,000 metric tons; and gypsum (up 25 percent to 652,000 metric tons).

CONCLUSION

The SLSDC's FY 2005 budget request reflects the agency's ongoing commitment of providing a safe, secure, reliable, and efficient waterway and lock transportation system for the movement of commercial goods to and from the Great Lakes region of North America. Maritime commerce on the Great Lakes Seaway System is vitally important to the Great Lakes regional economy, annually supports more than 150,000 U.S. jobs, \$4.3 billion in personal income, \$3.4 billion in transportation-related business revenue, and \$1.3 billion in federal, state, and local taxes.

Since 1959, the SLSDC has played a significant role in not only the operations and maintenance of the U.S. Seaway assets, but also in the promotion and development of new business for the waterway in concert with its North American stakeholders. As the St. Lawrence Seaway nears its 50th year of operation, the SLSDC remains committed to working with its customers and stakeholders to ensure the waterway's reliability and competitiveness for its next 50 years.

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Glenn L. McCullough, Jr.
Chairman
Tennessee Valley Authority

*Testimony
of
Chairman Glenn L. McCullough, Jr.
Tennessee Valley Authority
before the
House Transportation and Infrastructure Subcommittee on
Water Resources and Environment
February 26, 2004*

Opening Statement

On behalf of the TVA Board of Directors and our employees, I would like to thank you for the opportunity to be here today to review TVA's programs and priorities. My name is Glenn McCullough. I have served on the TVA Board of Directors since November 1999, and I was designated Chairman by President George W. Bush on July 19, 2001.

TVA Business Practices

Directors Skila Harris, Bill Baxter, and I are committed to making TVA a more competitive and businesslike corporation as it prepares for the marketplace of the future. TVA exists to serve the needs of its 158 power distributors and 62 directly served customers and the 8.5 million people of the Tennessee Valley by providing affordable and reliable electric power, environmental stewardship, and leadership in sustainable economic development. A corporation of the federal government, TVA is entirely self-financing and receives no funding from Congress.

We remain committed to conducting TVA's business in an open and forthright manner that continues to earn the confidence of Congress and the Administration, our customers, our investors, and the people of the Tennessee Valley.

Operational Performance

2003 was a good year for TVA operations. We produced more than 150 billion kilowatt-hours of electricity and earned revenues of 7 billion dollars, making TVA the largest public-power provider in the nation.

Our power system set a production record last August by meeting power demands that exceeded 28,000 megawatts for five straight days. TVA accomplished this by using its flexible mix of fossil, hydro and nuclear power generation, as well as renewable energy sources and a strong transmission system. Customers in the TVA service area and TVA's transmission system were not affected by the power outages in the Northeast and Midwest that same month. When the outage occurred, TVA took immediate action to stabilize our generators and avoid any interruptions or voltage fluctuations. Our planning and preventive-maintenance practices continue to ensure that power is

delivered when and where it is needed. The TVA transmission system operated at 99.999-percent reliability for the fourth consecutive year.

The TVA Nuclear program continued its focus on achieving greater efficiency through continuous improvement, thus saving TVA 5.2 million dollars in fiscal year 2003. One example is TVA's successful installation of four new steam generators at Sequoyah Nuclear Plant, resulting in four megawatts of added power, as well as significant savings in maintenance costs. The Browns Ferry Unit 1 restart project continues to perform to plan and is almost 40-percent complete and is on its 60-month baseline schedule. The project remains on budget, with expenses of 381 million dollars last year and about 365 million dollars planned for FY 2004. When Unit 1 returns to service, its cost-effective and clean, emission-free generating capacity of 1280 MW will help TVA responsibly meet growing power demands while maintaining a strong reserve margin. Our current resource-planning analysis shows that Browns Ferry Unit 1 will help us meet our growing energy needs at a very competitive cost by reducing our delivered cost of power by about .09 cents per kilowatt-hour in its first year of operation.

TVA's fossil generating units continued to set production records. Eight units set all-time continuous run records last year, including John Sevier Fossil Plant, which operated continuously for 121 days. Our Widows Creek Fossil Plant had exemplary performance, generating more than 10.2 million megawatt-hours—the most during a fiscal year in the plant's 50-year history. For the second year in a row, in its annual ranking of 572 plants across the country, *Electric Light and Power Magazine* named Bull Run Fossil Plant as the nation's most efficient coal-fired generating plant in calendar year 2002.

TVA's hydro-modernization efforts continue to reduce costs, improve efficiency and boost generating output. Our 29 hydropower plants and Raccoon Mountain Pumped-Storage Plant generated more hydropower last year than in any year since fiscal year 1997. Significant spring storms helped increase generation, and rainfall from these storms was stored in tributary reservoirs and used very carefully throughout the summer to keep production costs low, meet record power demands and provide much needed cooling water for fossil and nuclear plants. Additionally, according to the U.S. Corps of Engineers, TVA's integrated management of the Tennessee River system averted about 481 million dollars in flood damages in the Tennessee Valley and about 19 million dollars in damages along the lower Ohio and Mississippi Rivers.

As well as providing traditional forms of power generation, TVA is in its fourth year of offering the Green Power Switch program to Valley consumers. TVA and local public power companies work together in this program to provide electricity generated by clean, renewable resources such as solar, wind, and methane gas. The program has proved successful, and in the past year we were able to expand it to 12 more local power companies in East Tennessee and North Georgia. That brought the total number of participants in Green Power Switch to 7,000 Valley homes and 350 Valley businesses.

Clean Air Investments

TVA is conducting one of the most aggressive emission-reductions programs in the nation. We are installing or have already completed 25 Selective Catalytic Reduction (SCR), or similar systems, at seven fossil plants to further reduce emissions of nitrogen oxide or NOx. By 2005, we expect TVA emissions of NOx during the summer ozone season to be reduced by about 75 percent, compared to 1995 levels.

In addition, new scrubbers at several fossil plants are expected to reduce emissions by a total of more than 200,000 tons per year. The result will be an 85-percent overall reduction in sulfur-dioxide emissions from the TVA fossil system since the late 1970s.

Last April, I had the opportunity to testify before the Senate Subcommittee on Clean Air, Wetlands, Private Property and Nuclear Safety on behalf of TVA. I expressed our views on clean air, and more specifically, our support of the Clear Skies Act of 2003. It is important to note that, by the end of this decade, TVA will have invested \$5.6 billion in emission reductions.

Resource Stewardship

TVA manages the Tennessee River and reservoir system, the fifth-largest river system in the nation. In doing so, we balance the benefits of navigation, flood-risk management, power generation, recreation, water supply and water quality, and public-land management.

TVA has not received appropriated funds since fiscal year 1999, yet continues to effectively manage 11,000 miles of public shoreline to maintain the integrity of the reservoir system. We maintain flowage easements and use our permitting authority for structures along the river to ensure that flood control, navigation, and power production are not impaired. TVA also manages 293,000 acres of public land to support wildlife, recreation, and water quality.

In October 2002, TVA launched a two-year effort to determine whether changes in its reservoir operating policies would produce greater overall public value. This Reservoir Operations Study was initiated in response to recommendations from public groups, individuals, and other entities such as the Government Accounting Office, TVA's Office of the Inspector General, and the Regional Resource Stewardship Council, a federal advisory committee chartered by TVA. In support of this study, TVA has developed new analytical tools that will improve our ability to optimize the benefits of the reservoir system. Once the study is complete, the TVA Board of Directors will decide how current operating policies might be changed and how any changes would be implemented.

Economic Development

Part of TVA's core mission is to promote the economic prosperity of the Tennessee Valley. In FY 03, TVA and its strategic partners helped companies attract or retain

47,000 jobs for Valley workers. In addition, 1.6 billion dollars in capital was leveraged for investment in the region. TVA provided 21 million dollars in economic development loan commitments to assist Valley businesses.

We encourage economic growth by supporting community planning, attracting new investment, and helping existing businesses and industries succeed. TVA offers a wide range of economic development services and programs to address the various needs of our stakeholders.

Strategic Plan

On January 14, 2004, the Board of Directors approved the finalized TVA Strategic Plan. The plan was first released for stakeholder input in draft form in October 2003. This plan provides a framework for TVA's direction so that we can adapt to meet the changing market environment. TVA is taking actions to implement the direction established in the Strategic Plan.

The Strategic Plan identifies specific areas where TVA needs to concentrate over the next several years. TVA needs to (1) develop new and highly differentiated prices, services and contract terms; (2) address the range of issues related to wholesale market design and transmission pricing; and (3) accelerate debt reduction and work toward higher interest-coverage ratios. We must also consider the possibility that TVA could remain the full-requirements supplier in the Valley and, therefore, we must maintain and operate our generation and transmission assets so that we can continue to fulfill our supply obligations in a safe and reliable manner.

Debt Reduction

TVA's Board of Directors remains strongly committed to continuing the trend of debt reduction. TVA's outstanding balance of bonds and notes has been reduced by nearly 4.1 billion dollars since the beginning of 1997. TVA has also entered into five lease/leaseback transactions, which have enabled TVA to finance certain power-system assets more economically than it could with traditional debt. The President's 2005 Budget treats these transactions as debt. We have reduced TVA's annual interest expense by more than 600 million dollars a year, compared to 1997. As a result of a combination of debt reduction, alternative financings, and refinancing at lower interest rates, debt service that once consumed 34 percent of TVA's revenue dropped to 19 percent in 2003. The Board of Directors is committed to continuing to reduce debt and is working to make sure TVA reaches its debt reduction goal of \$3 billion to \$5 billion over the next 10 to 12 years, as identified in the Strategic Plan.

Budget Overview

TVA's power program is entirely self-financing and is expected to generate revenues of about 7.8 billion dollars in 2005. TVA's power sales have increased an average of 3 percent annually during the past decade. To keep pace with this growth, TVA has added more than 4,600 megawatts of generating capacity over the past nine years and

entered into power purchase agreements with independent power generators. With power demand in the Valley expected to grow about 2 percent annually this decade, TVA will continue to explore the full range of options available to meet this growing demand.

Conclusion

TVA is working hard to prepare for the future by reducing our debt; delivering affordable, reliable electric power; efficiently managing the Tennessee Valley's river system; and supporting sustainable economic development in the region. TVA is setting and achieving performance targets, and we are continuously improving our operations.

I want to assure this Subcommittee that the TVA Board is intent on working with Congress, the Administration, and stakeholders throughout the region on the issues that will shape the future of the Valley.

Thank you again for the opportunity to appear before you today, I will be happy to answer your questions.

**Testimony of
Richard W. Spinrad, Ph.D.
Assistant Administrator
National Ocean Service
National Oceanic and Atmospheric Administration
U.S. Department of Commerce**

before the

**House Subcommittee on Water Resources and the Environment
Committee on Transportation and Infrastructure**

February 26, 2004

Mr. Chairman, and Members of the Subcommittee, thank you for inviting me to appear today to discuss Fiscal Year 2004 actions and Fiscal Year 2005 plans and priorities for National Oceanic and Atmospheric Administration (NOAA) programs that fall under the Subcommittee's jurisdiction. My name is Richard W. Spinrad and I am the Assistant Administrator for NOAA's National Ocean Service. My testimony today will focus on programs that help fulfill NOAA's responsibilities for protecting and restoring coastal and marine resources. These programs, operating under several authorities, help maintain environmental and economic prosperity along the Nation's coast, improving the quality of life for Americans both living and visiting there.

Office of Response & Restoration

First, I will speak to NOAA's responsibilities under the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA or Superfund) and the Oil Pollution Act of 1990 (OPA). Under these specific directives, NOAA protects and restores coastal resources when they are threatened or injured by releases of oil or hazardous substances.

NOAA responds to approximately 100 significant oil or chemical spills as scientific advisors to the U.S. Coast Guard, and provides solutions to cleanup agencies that protect and restore coastal resources at more than 200 hazardous waste sites each year, including sites in the Great Lakes region. When oil or hazardous substances threaten or injure coastal and marine resources, NOAA and other natural resource trustees are responsible for: ensuring that cleanup actions protect those resources from further injury; and, assessing and recovering natural resource damages to restore the injured resources, and to compensate for the loss of services that the natural resources provided.

Three NOAA programs fulfill the mandate to protect and restore coastal and marine resources threatened or injured by oil or hazardous materials: the Hazardous Materials Response Program (Hazmat), the Coastal Protection and Restoration (CPR) Program and the Damage Assessment and Restoration Program (DARP). Hazmat, the CPR program and part of the DARP are located in the Office of Response and Restoration (OR&R) within NOAA's National Ocean Service

(NOS). The DARP is a collaborative effort involving NOS, NOAA Fisheries, and the NOAA Office of General Counsel.

Hazardous Materials Response Program

One of NOAA's responsibilities under OPA and CERCLA is to provide scientific support to the Federal On-Scene Coordinator during the response to oil or hazardous materials spills in the Nation's coastal areas. This is done with just under 30 FTEs, 5 NOAA Corps officers and 3 contractors, all of whom are located in NOAA offices in Seattle or in the field. NOAA also undertakes partnerships with academia and other federal agencies to develop tools and engage in research relating to oil and hazardous material spills. NOAA's Hazmat program fulfills this responsibility by providing experts, information and tools to support response efforts. This includes:

- maintaining a highly prepared response team that coordinates on-scene scientific activities and provides scientific support for operational decisions during oil or hazardous material spills or other threats
- supporting local communities in developing and evaluating oil and hazardous materials response plans
- fulfilling trustee responsibilities as the Department of Commerce Regional Response Team representative
- serving as the Department of Commerce's representative on the National Response Team (NRT)
- chairing the NRT's Science and Technology Committee.

The transfer of technology and knowledge to first responders on how best to address spills and other threats is an essential aspect of our trustee role. To that end, NOAA's Hazmat program develops products, including Environmental Sensitivity Index Atlases for coastal areas, and oil spill modeling programs like GNOME (General NOAA Oil Modeling Environment) and provides training to assist in response planning, drills, and actual responses to oil or hazardous material spills or other threats, and disseminates information to improve public understanding. We also conduct research on methods to improve the protection and recovery of coastal resources and communities from spills and other hazards.

In Fiscal Year 2004, the Hazmat program is working with the U.S. Coast Guard to plan and conduct a Spill of National Significance exercise in California. This includes improving cross-border capabilities with the Mexican government. Priority areas in FY04 include maintaining our state of readiness, supporting homeland security emergency preparedness and response efforts, expanding our research and development efforts, and releasing an updated version of the Computer-Aided Management of Emergency Operations program (CAMEO) to support local emergency response efforts. CAMEO contains a library of chemicals and provides information to responders on fire fighting, physical properties, health hazards, first aid and spill response recommendations, along with information about air and water hazards. It also contains software to model chemical plume dispersion and provides a way to virtually "mix" chemicals to find out what dangers could arise from accidental combinations.

The Coastal Protection and Restoration Program

NOAA's Coastal Protection and Restoration (CPR) program provides efficient, effective solutions to address contaminated sites, restore coastal habitats, and revitalize coastal communities. CPR staff improve habitat at 250 coastal waste sites each year, including those in the Great Lakes basin. CPR has 25 FTEs and 13 contractors in NOAA offices in Seattle and field offices. The program collaborates with the Environmental Protection Agency (EPA), Department of Defense, states, potentially responsible parties, and communities at hazardous waste and contaminated sediment sites to:

- protect fish, wildlife, and coastal habitats by recommending cost-effective assessment, cleanup, and monitoring strategies
- restore natural resources through cooperative settlements and agreements
- provide database and mapping tools, and training to states and coastal communities to improve the efficiency of environmental assessment, cleanup, and restoration actions.

Since 1985, the NOAA CPR program has worked with cleanup agencies including the U.S. Environmental Protection Agency and state environmental protection agencies to resolve natural resource concerns during remediation efforts for hazardous waste sites. While cleanup efforts are usually designed to eliminate or reduce the risks to human health, welfare, and the environment associated with hazardous substances, they may not fully address injuries to natural resources. NOAA's CPR program works to reduce the threat to natural resources and ensure that cleanup actions at hundreds of coastal hazardous waste sites protect and restore coastal and marine resources.

In addition to improving cleanup of hazardous waste sites, NOAA's CPR program works with responsible parties to cooperatively resolve their liability for injury to natural resources by implementing restoration projects. NOAA's CPR program is involved in restoration activities that improve hundreds of acres of valuable wetland and stream habitat at more than 50 coastal waste sites. In FY04, for example, 71 acres of estuarine wetland are being created or restored at the Bailey Waste site and construction of an additional 94 wetland acres is underway in Galveston Bay at the Tex-Tin site in Texas; in Delaware more than 240 acres of estuarine habitat will be preserved and rehabilitated; and in New England, several miles of the Concord River (MA) and the Saugautucket River (RI) will be re-opened to migratory fish.

NOAA has successfully delivered integrated watershed database and mapping tools using Geographic Information Systems (GIS) for ten coastal watersheds. These tools improve decision-making for contamination and restoration issues at local and national levels. Coastal communities and coastal management agencies use these various tools to map contamination, to evaluate and communicate ecological risk issues for contaminated aquatic areas, and to pursue restoration planning. This year, NOAA completed an updated CD-ROM for San Francisco Bay that features information to improve decision-making for the management and restoration of sub-tidal habitats. Due to the breadth of data available on the CD-ROM, the project was used as the foundation of a hands-on GIS training workshop for coastal resource managers held in partnership with San Francisco University at the San Francisco National Estuarine Research Reserve.

NOAA's CPR program is supporting regional restoration planning efforts by building consensus on restoration priorities, leveraging ongoing restoration projects, and expediting restoration projects in order to more effectively restore habitat on a regional scale. Working with industry, local communities, and state and Federal agencies, the CPR program is linking mitigation and habitat improvement projects with larger regional and watershed restoration plans.

During FY04, CPR is expanding restoration partnerships with industry, states, coastal communities, and others at both the local and regional levels. For example, NOAA is leading an interagency Portfields project to help coastal communities like New Bedford, Massachusetts, Tampa, Florida, and Bellingham, Washington address contamination, restoration, and economic redevelopment issues related to port development, dredging, and "Brownfields" redevelopment. NOAA is also providing technical assistance, training, and support to states and communities (with increased efforts in Great Lakes) to strengthen local and regional capabilities to restore or redevelop contaminated sites. These partnerships will restore valuable coastal resources and revitalize coastal communities in key areas.

The Damage Assessment and Restoration Program

NOAA's Damage Assessment and Restoration Program (DARP) conducts natural resource damage assessments and restoration when oil spills and discharges of hazardous substances occur. During the past decade, DARP injury scientists, economists, restoration specialists, and attorneys have provided expertise and leadership to quickly restore wetlands, estuaries, fisheries, and wildlife. DARP has worked on natural resource damage assessments and restoration across the country. Restoration programs are underway all along the Nation's coast as a result of NOAA's successes with state, tribal, and federal partners. Examples include:

- removal of abandoned fishing nets off Kauai, Hawaii as partial compensation for a spill of 4,900 gallons of oil into the ocean near Honolulu, Hawaii;
- restoration of coastal wetlands, riverine habitats and oyster reefs injured by the release of approximately 50 million gallons of acidic waste water into the Alafia River in Florida; and
- mitigation of the impacts to birds, shoreline vegetation, fish and shellfishing, intertidal species and recreational lakes and beaches impaired by the release of around 39,000 gallons of oil into Dutch Harbor, Alaska.

DARP's accomplishments depend upon strong partnerships among the Damage Assessment Center (DAC) in NOS, the Restoration Center within NOAA Fisheries, and the Office of General Counsel for Natural Resources. The expertise provided by these offices makes DARP an essential part of NOAA's stewardship mission by supporting the restoration of coastal and marine resources. The Damage Assessment Center is composed of just 28 FTEs and 14 contractors in NOAA headquarters and field offices.

It should be noted that DARP's considerable successes have been realized through a relatively modest investment of resources that leverages monies provided by responsible parties. Since its inception in 1990, the DARP program and its partners have secured almost \$300 million for restoring natural resource injuries from those responsible for the harm. In general, DARP

generates \$5.00 to \$10.00 of restoration potential for each \$1.00 of appropriations expended on the damage assessment program.

In FY 2004, DARP continues to develop its natural resource damage assessment capabilities and support ongoing damage assessments. These include: assisting state trustees for sites such as Commencement Bay in Washington and the Hudson River in New York; restoring natural resources injured by historical DDT and PCB contamination in the southern California marine environment; promoting cooperation between industry and government to restore natural resources; studying the value of coral reef protection and management in Hawaii; addressing small vessel groundings in seagrass habitats within the Florida Keys National Marine Sanctuary; and completing the regulations for conducting natural resource damage assessments under the Oil Pollution Act of 1990.

NOAA has not previously pursued damage assessments for oil spills in the Great Lakes. Starting in FY 2004, however, DARP will begin to respond, on a limited basis, to oil spills and initiate damage assessments when NOAA trust resources are significantly affected in the Great Lakes. Vessels in the Atlantic, Pacific and Gulf waters have taken steps to reduce the number of oil and hazardous material spills, so NOAA is now able to redirect some resources to the Great Lakes.

FY 2005 Budget Request for NOAA's Response and Restoration Programs

In FY 2005, the President is requesting \$16.858 million for Response and Restoration activities that will fund, in part, the Hazmat, CPR and DAC programs. In partnership with industry, states, tribes, and coastal communities, these funds will allow NOAA to continue to protect the integrity of coastal ecosystems through its natural resource protection and restoration efforts.

This FY 2005 funding request will ensure that the agency continues to meet its responsibilities under CERCLA and OPA to protect and restore injured coastal and marine resources. In FY 2005, the Hazmat program will continue to: develop modeling capabilities, particularly in the area of dispersed oil and chemical plumes; conduct training exercises; and publish environmental sensitivity index atlases. All efforts will be directed to increasing the U.S.'s capability to respond to oil and hazardous materials spills through the most scientifically sound and effective methods.

The FY 2005 funding request will allow the CPR program to improve and expand its partnerships and restoration activities. Support and technical assistance will continue to be provided directly to states and local communities to accelerate restoration and redevelopment of waste sites, port areas, and coastal communities. The funding will strengthen existing partnerships and coordination with states, industry, coastal communities, and non-governmental groups to expand regional restoration planning. NOAA will continue to provide technical assistance, training, and support to states and communities to strengthen local and regional capabilities to restore or redevelop contaminated sites and port areas. For example, we will continue to build and improve products in several watersheds, including the Hudson River in New York, Kalamazoo River in Lake Michigan, the Elizabeth River in Virginia, New Bedford Harbor in Massachusetts, Charleston Harbor in South Carolina, and Puget Sound in Washington.

NOAA's FY 2005 funding request for the components of DARP are contained in both the Response and Restoration line item and the Fisheries Habitat Restoration line item. The budget request under Response and Restoration will support DARP efforts to work cooperatively with responsible parties and expedite restoration of coastal resources injured by hazardous substances. This FY05 funding will continue to support damage assessment and restoration efforts for sites such as the Hudson River in New York, Commencement Bay in Washington, and LCP hazardous waste site in Georgia.

Coastal Nonpoint Pollution Control Program

The second area I would like to focus on today is section 6217 of the Coastal Zone Management Act Reauthorization Amendments of 1990, the Coastal Nonpoint Pollution Control Program.

Polluted runoff remains a threat to coastal waters. Recent reports from the National Research Council (Clean Coastal Waters: Understanding and Reducing the Effects of Nutrient Pollution) and leading academic institutions identify the widespread introduction of pollutants, especially excess nutrients, from land-based sources as the leading cause of coastal water quality degradation. Early indications are that the U.S. Commission on Ocean Policy will also place a priority on improving programs and methods designed to prevent and manage the adverse impacts of coastal nonpoint source pollution.

Working with our coastal state partners, we have strengthened the ability of coastal jurisdictions to implement programs that will address major categories of nonpoint pollution in the coastal zone. The Coastal Nonpoint Program establishes enforceable policy frameworks coupled with educational and incentive-based programs to address the leading sources of coastal Non-Point Source (NPS) pollution including: agriculture, forestry, urban stormwater, septic systems, modifications of streams and riparian areas, and pollution from marinas. It is the primary federal-state partnership program aimed at improving the management of septic systems in the coastal zone, making marinas more environmentally friendly, and ensuring that land use decisions are made in the context of water quality impacts.

NOAA has worked closely with EPA to ensure that coastal states have the tools necessary to effectively manage nonpoint sources of pollution. The effort to develop comprehensive coastal nonpoint pollution control programs is largely complete. Thirty-three of the thirty-four states and territories that participate in the Coastal Zone Management Program now have either conditionally or fully approved coastal nonpoint programs. The thirty-fourth state, Indiana, is the most recent CZMA entrant, and is actively developing its coastal nonpoint program. Sixteen of the 34 have received full approval, five since NOAA testified before the Committee last year. Our goal is to facilitate the full approval of six more states in FY04. NOAA and EPA are working with these states as expeditiously as possible to examine how their progress addresses program conditions, which will move more states across the finish line. NOAA and EPA have also conditionally approved four coastal nonpoint programs developed by other recent CZMA entrants - Texas, Georgia, Minnesota and Ohio. Achieving full program approval often involves difficult changes to longstanding state and local policies and practices, which can involve political and economic sensitivities. For example, changes to state methods to design, operate, and inspect on-site septic systems are a national Coastal Nonpoint Program priority. These

changes not only require the coordination of state water quality and coastal agencies with local health departments, but can also directly impact residential property owners whose systems may be causing NPS pollution. NOAA and EPA are working with our state partners to design and implement pragmatic approaches to reducing pollution from septic systems by targeting known problem areas, increasing education and outreach, and garnering commitments from coastal states to inspect the majority of systems located in their coastal watersheds over time.

The development of state coastal nonpoint programs has provided coastal states with a comprehensive plan for using a wide range of capabilities to manage polluted runoff. The Program has facilitated improvements in intra-state agency coordination, increased state understanding of water quality laws, developed innovative practices to combat complex NPS pollution problems, and filled niches left by other federal programs.

States are now at the stage of implementing these programs. Congress has supported the efforts of coastal states to implement their coastal nonpoint programs through appropriations of approximately \$10 million per year in fiscal years 2001 through 2004 in NOAA. The Administration recognizes the important role that state coastal management programs can play in addressing coastal nonpoint pollution problems. We are confident that existing and incrementally improved state coastal nonpoint programs will yield coastal water quality benefits and NOAA looks forward to recommendations for new directions from the U.S. Commission on Ocean Policy. Additionally, other agencies in the federal government, especially EPA and USDA, invest heavily in this area. NOAA's request does not include additional funding for state implementation of nonpoint coastal programs; however, NOAA can and will continue to leverage its resources by working closely with EPA and other federal partners to apply its expertise in coastal management to nonpoint pollution issues and programs.

States have built the foundation for coastal nonpoint program implementation, and possess the expertise and authorities necessary to successfully implement their programs. States can continue to rely on coastal program funding (i.e., section 306 CZMA) and other federal sources (e.g., EPA's 319 program and USDA's EQIP), however, new sources of state and local funding commensurate with state-defined needs are paramount to the long-term success of state programs.

NOAA will maintain a leading role in nonpoint pollution research, science and education and we will continue our work to ensure that the public is served effectively by other federal investments in this area. NOAA's assistance to states to assist in developing nonpoint pollution programs has provided a foundation to build the capabilities that are necessary to address nonpoint pollution at the state and local level. NOAA also anticipates being active participants in responding to recommendations made by the U.S. Ocean Commission related to nonpoint pollution in coastal watersheds.

In the future, one aspect of improving nonpoint implementation will be to look at the integration of NOAA's science capabilities with the management of coastal polluted runoff. This could be achieved by facilitating the development of watershed-specific integrated assessments that would provide stakeholders with a roadmap for addressing impairments caused by nonpoint source pollution through implementing the most cost-effective management actions.

Harmful Algal Blooms and Hypoxia

The next two areas I would like to focus on today are the NOAA programs and activities related to harmful algal blooms and hypoxia both of which are now among the most pressing national problems to threaten coastal communities and ecosystems.

Harmful algal blooms (HABs) and hypoxia are often interrelated issues affecting an increasing number of Great Lakes and coastal ecosystems. Virtually every coastal state has reported recurring major blooms and a recent national assessment revealed that over half of our Nation's estuaries experience hypoxic conditions at some time each year. Hypoxia can stress and kill marine organisms, affecting commercial harvests and the health of impacted ecosystems while HABs can produce toxins that bioaccumulate in marine organisms or become airborne, leading to the closure of commercially important fisheries, the death of coastal marine wildlife and illness or death in humans. Just one HAB event can cost tens of millions of dollars to local coastal economies and the total costs associated with HABs over the past few decades have been conservatively estimated at over \$1 billion.

NOAA's mandate to address national issues related to HABs and hypoxia in the Nation's coastal waters is mainly provided by the Harmful Algal Bloom and Hypoxia Research and Control Act of 1998 (HABHRCA) (P.L. 105-383). The Act called for the development of scientific assessments and an action plan, and authorized funding for a suite of scientific programs to help support efforts to prevent, control, and mitigate the impacts of HABs and hypoxia. In addition to HABHRCA, NOAA conducts HAB and hypoxia related research through the NOAA Authorization Act of 1992 (Section 201(c) of P.L. 102-567), which established the NOAA Coastal Ocean Program, and the Sea Grant Act of 2002 (National Sea Grant College Program Act Amendments of 2002) (P.L. 107-299), which contains authorization for competitive grants for university research on the biology, prevention, and forecasting of HABs, including *Pfiesteria piscicida*. In response, NOAA, working closely with our Federal, state, and academic partners, has made considerable progress in the ability to detect, monitor, assess, and predict HABs and hypoxia in coastal ecosystems. These advances are helping coastal managers undertake short and long term efforts to reduce, and ultimately, prevent the detrimental effects of these phenomena on human health and on valuable coastal resources.

NOAA research on HABs and hypoxia is organized around 6 complementary and interconnected programs and activities that involve a mix of extramural and intramural research, long-term regional ecosystem-scale studies supported by short-term targeted studies, collaborations between academic and federal scientists, and multiple partnerships with Federal, state and tribal managers.

The President's FY 05 budget request includes a restoration of \$8.9 million of funding for Harmful Algal Bloom and Pfiesteria/HAB Rapid Research items of the budget which will enable continued support of many of the activities discussed in this testimony.

Ecology and Oceanography of Harmful Algal Blooms (ECO HAB)

This program, led by NOAA's Ocean Service, is run cooperatively with the National Science Foundation, U.S. Environmental Protection Agency, National Aeronautics and Space

Administration, and the Office of Naval Research. ECOHAB seeks to understand the causes and dynamics of HABs; develop forecasts of HAB growth, movement, landfall, and toxicity; and the development of new detection methodologies for HABs and their toxins.

Monitoring and Event Response for Harmful Algal Blooms (MERHAB)

The NOAA Ocean Service MERHAB program assists States and Tribes in their response to current threats from HABs by forging working partnerships between leading government, public, and private entities in an impacted region. Through MERHAB, researchers and managers are transferring technology for pro-active detection of algal cells and toxins to improve the efficiency and effectiveness of coastal monitoring programs.

Research on HAB Prevention, Control, and Mitigation (PCM)

Advancements in this area of HAB research have been made through other NOAA HAB programs (e.g. ECOHAB, MERHAB) and using existing mechanisms (e.g. NOAA Sea Grant research and extension network), efforts are also underway in outreach and public education aimed at helping coastal communities and managers prevent and control the impacts of HABs. NOAA's National Sea Grant College Program recently provided Congress with a report, "Prevention, Control and Mitigation of Harmful Algal Blooms: A Research Plan", that outlined a research program that would expand on ongoing programs in NOAA and other agencies, and would provide the means for academic, government, and industry scientists and engineers to combine their efforts with those of coastal communities and managers in order to lessen the impacts of HABs on our Nation's coasts.

HAB Research and Assessment Activities in NOAA Laboratories

NOAA's laboratories have worked to overcome two key impediments to effective HAB management: 1) the lack of sensitive, toxin-specific assays and toxin standards for research and field application and 2) an understanding of how the physiology of organisms affect toxin movement through the food web. Results from investments in these laboratories have led to developments that are now aiding coastal scientists and managers with critical, timely information on the occurrence of HAB and other toxins.

Event Response

NOAA's Ocean Service has two mechanisms that provide immediate assistance to state and federal coastal managers to reduce the impact of HAB events - the HAB Event Response Program and the Analytical Response Team. Through these programs coastal managers and public health officials can request immediate, coordinated assistance during toxic algal blooms, related health incidents, and marine animal mortality events.

Hypoxia Research and Monitoring

In the 1990s, through support from NOAA's Ocean Service, the scientific community documented the distribution and dynamics of the hypoxic "dead zone" over the Louisiana continental shelf. These efforts provided the primary data and information for the six technical reports and the Integrated Assessment of the causes and consequences of Gulf hypoxia and the Action Plan for reducing, mitigating, and controlling hypoxia in the Gulf of Mexico as mandated through HABHRCA. The uncertainties highlighted in the Integrated Assessment were used to identify research needs and form the basis of a competitive, peer-reviewed research program in

the northern Gulf of Mexico to monitor and model the distribution and dynamics of the causes and consequences of Gulf hypoxia, including impacts to commercially important species, and to provide more accurate forecasts of the “dead zone” that can be used by coastal managers.

Ongoing activities and accomplishments

NOAA, through research conducted within these programs and in collaboration with our academic, government, state, and tribal partners, is making great strides in understanding and reducing the impacts of HABs and hypoxia on coastal ecosystems and communities. The following summarizes some of the major accomplishments:

- increased understanding of the complex interrelationships between HAB species and their environment in order to produce accurate models and forecasts of HABs, to understand how HAB toxins move through coastal food webs, and to evaluate the role of human activities in stimulating HABs;
- the identification of the chemical structures of some key HAB toxins, which is necessary for developing detection methods, determining their mode of toxicity and aiding in the development of antidotes and treatments;
- new remote sensing technologies such as optical detectors, autonomous underwater vehicles (AUV's) and satellite sensors, to detect and track HAB movements in time for coastal managers to take proactive measures to protect public health.
- provided assistance and analyses to federal, state, local, and international partners for 40 investigations related to cases involving toxins from algal blooms in humans and marine wildlife including sea lions, otters, dolphins, manatees, and whales;
- provided assistance to state agencies in monitoring and testing efforts and in the development of plans for rapid response to new outbreaks of harmful algae.
- the long-term documentation of the hypoxic zone off the Louisiana continental shelf—a key metric for setting and determining upstream nutrient management strategies in the Mississippi River watershed;
- development of predictive models capable of hindcasting and forecasting the size the hypoxic zone off the Louisiana continental shelf leading to the first ever “dead zone” forecast this year.

Future research areas and activities

NOAA intends to build upon these recent successes by focusing effort on ongoing and future priorities developed with Congressional guidance and formalized input from the external scientific and management community will produce a revised National Plan for Algal Toxins and HABs. NOAA intends to focus effort on the following research and activities:

- to continue research into the ecology and oceanography of HAB organisms with a focus on defining the genomes of critical species, identifying environmental factors that regulate HAB toxicity, and characterizing understudied as well as newly emerging HAB species;
- to continue developing “state of the art” technologies, including high resolution analytical methods to detect and purify known as well as novel algal toxins, remote in-water detection of HAB species and toxins in real time, and establishing micro-array technologies to monitor toxin exposure during natural events;

- to continue both transferring successful tools, techniques and research results to resource managers for integration into existing monitoring networks or regional observing systems and providing them scientific and analytical support during HAB events to promote effective management of marine resources, protected species, and public health;
- to expand upon research efforts focused on the areas of prevention, control, and mitigation of HABs and their socioeconomic impacts on ecosystems and coastal communities, and human health, along with, efforts in outreach and public education to help disseminate this information to the public;
- to continue research, monitoring and modeling efforts in the Gulf of Mexico aimed at predicting and documenting the size of the hypoxic zone and understanding its impact on commercially important species of the region;
- to develop a new hypoxia research program that utilizes the Gulf of Mexico research framework, to address research needs in other regions with persistent hypoxia problems such as the Chesapeake Bay, New York Bight, and Lake Erie.

NOAA's Ocean Service is making great strides towards an operational forecast system for HABs. We have successfully implemented a prototype system along the west coast of Florida, where satellite imagery and field sampling data are integrated into a HAB bulletin routinely used by resource managers. In FY02 and FY03 the Ocean Service issued 12 and 39 bulletins, respectively. HAB bulletins for this region are providing advanced warning of potentially toxic red tide blooms. Managers use the bulletin to modify coastal monitoring, improve their ability to detect HABs and mitigate impacts of red tide on tourism and fisheries. The Ocean Service is developing similar programs that integrate satellite remote sensing with our partner monitoring and modeling in other U.S. coastal regions. These regions include the Texas coast and the Pacific Northwest and move us toward the goal of a national system of HAB forecasting.

Aquatic Nuisance Species

The last area I will speak to today is NOAA's request for aquatic nuisance species activities. The President's budget includes \$500,000 for implementation of section 1202 of the Nonindigenous Aquatic Nuisance Prevention and Control Act of 1990, which directs NOAA and the Fish and Wildlife Service to prevent, control, and manage aquatic nuisance species.

In addition, the base funding request for the National Sea Grant College Program assumes that the national research competition will be continued. Similarly, approximately \$1.7 million of base funding for the Great Lakes Environmental Research Laboratory will continue to support invasive species activities.

Mr. Chairman, thank you again for inviting NOAA to participate in today's hearing. At this time, I would be pleased to respond to any questions.

STATEMENT OF THOMAS A. WEBER, ASSOCIATE CHIEF
NATURAL RESOURCES CONSERVATION SERVICE
U.S. DEPARTMENT OF AGRICULTURE
BEFORE THE
U.S. HOUSE OF REPRESENTATIVES
COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE
SUBCOMMITTEE ON WATER RESOURCES AND THE ENVIRONMENT

February 26, 2004

Mr. Chairman 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). In my remarks today, I would like to describe our ongoing work in this area, and discuss our budget and priorities for FY 2005. I will specifically address three accounts; 1) Watershed Surveys and Planning, 2) Watershed and Flood Prevention Operations, and 3) Watershed Rehabilitation.

The NRCS water resource programs provide communities and landowners site-specific technical expertise for watershed planning and financial assistance for watershed project implementation. They 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 Watershed Program has implemented projects in thousands of communities across the country, improving natural resources, restoring fish and wildlife habitat, mitigating or protecting the flood plain from flood damages, and accelerating economic development. The Watershed Program was founded upon the principle of locally-driven, watershed scale conservation. Local governments and other sponsors initiate projects with the help of NRCS and local conservation districts.

These watershed projects empower local people as decision-makers to build State and local partnerships, and to acquire funding contributions.

NRCS assists in every step of planning and implementation of watershed projects, but primarily serves as a technical advisor, bringing science, technology, and knowledge about the resource base and ecosystem of the watershed, as well as a source of funding, to develop these projects.

The sponsoring organization must also be responsible for project operation and maintenance.

FY 2005 Budget Proposal

The 2002 Farm Bill represents an unprecedented commitment to conservation and the President's 2005 budget for NRCS will continue to focus on implementing the important conservation programs authorized by this historic legislation. These priorities will have an impact on the budget levels being proposed in the watershed programs area. The budget proposes reductions in funding for watershed implementation, planning, and rehabilitation. This will enable NRCS to redirect limited resources to address the more pressing Farm Bill implementation work while still funding the most critical watershed projects that have the strongest local support. With emergency spending being so difficult to predict, the budget proposes to not seek appropriated funding for emergency work and instead to address disaster funding as emergencies arise.

Watershed Surveys and Planning

The Watershed Surveys and Planning account helps communities and local sponsors assess resource issues and develop a coordinated watershed plan that will conserve and utilize their water and land resources, and to solve the local natural resource and related economic problems. The product from this effort is a planning document, which guides both the local sponsors and technical experts in the implementation of a watershed effort authorized under P.L. 83-566.

The President's budget for FY 2005 proposes to focus new Watershed Survey and Planning efforts on improving the environmental and economic benefits of new projects.

The budget request is \$5,083,000 to help 20-30 communities complete their watershed planning efforts.

Watershed and Flood Prevention Operations

The Watershed Surveys and Planning component in 2005 will focus on non-structural flood measures that will solve the identified natural resource and economic problems in the area. The local sponsors have responsibility to secure necessary land rights; obtain Federal, State, and local permits; pay a share of installation costs; and provide for operation and maintenance of the project.

The Administration's budget proposal requests \$40,173,000 for projects authorized under P.L. 83-566 for funding in the Watershed and Flood Prevention account to focus on developing and funding non-structural flood prevention measures. For the 11 projects authorized by the Flood Control Act, Public Law 78-534, no funding is proposed.

Watershed Rehabilitation

The President's budget funding request for FY 2005 includes funding for Watershed Rehabilitation activities involving aging dams. These projects involve dams with a high risk for loss of life and property. To date, 118 watershed rehabilitation projects have been funded and eighteen have been completed. Forty-one dams have rehabilitation plans authorized and implementation of the plans is underway. The remaining 59 projects are in the planning phase. The Administration requests \$10,091,000 to complete two plans in progress and ten projects currently underway.

Summary

In summary, it is our priority to address the needs of communities for the most critical water resource concerns to effectively utilize Federal, State, and local programs to meet immediate needs. We will continue to work with local communities to prioritize and evaluate our activities so that the financial and technical resources that are available can be placed where they are most needed.

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

United States Department of Agriculture



Natural Resources Conservation Service
P.O. Box 2890
Washington, D.C. 20013

JUN 13 2004

The Honorable John J. Duncan
Chairman
Transportation and Infrastructure Committee
Water Resources and Environment
U.S. House of Representatives
B-376 Rayburn House Office Building
Washington, D.C. 20515-6262

Dear Chairman Duncan:

Thank you for the opportunity to respond to questions submitted to the Natural Resources Conservation Service. These questions were a result of the hearing before the Water Resources and Environment Subcommittee of the House Transportation and Infrastructure Committee at its February 26, 2004, oversight hearing on Agency Budgets and Priorities for Fiscal Year 2005.

Attached are the responses to your questions.

If we can be of further assistance, please do not hesitate to contact us.

Sincerely,

A handwritten signature in cursive script that reads "Thomas A. Weber".

THOMAS A. WEBER
Associate Chief

Enclosure

FOLLOW-UP QUESTIONS AND ANSWERS**FROM****U.S. HOUSE OF REPRESENTATIVES
COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE
SUBCOMMITTEE ON WATER RESOURCES AND THE ENVIRONMENT****FY 2005 BUDGET HEARING –WATER RESOURCES**

1. Please provide the Subcommittee a list by Congressional District of each on-going PL-534 and PL-566 watershed project that will need to be terminated or have no further work completed in 2005 if the Administration's proposed FY 2005 budget is enacted. Please include the un-obligated balance of each project by Congressional District.

Response: The Administration's budget request for the Fiscal Year 2005 Watershed Protection and Flood Prevention program is \$40 million. The estimate federal cost of P.L. 566 and P.L. 534 projects are listed in the following table. Many of the projects listed were authorized by Congress and NRCS does not have the authority to terminate them. Projects authorized by Congress and those authorized by the Chief of the NRCS were approved for federal funding subject to annual appropriations.

The Administration's budget for Fiscal Year 2005 would provide approximately \$20 million for financial assistance. Most of that amount would be utilized to complete construction of projects for flood prevention and water supply that were initiated in prior years, but still need funds to complete final construction phases.

The remaining \$20 million of the Administration's budget request would be utilized for the above mentioned projects and for technical assistance to support active contracts with program participants and other active formal construction contracts. Watershed Operations financial assistance has been obligated to hundreds of Long Term Contracts to help farmers and ranchers install conservation measures over periods of up to 10 years. Since these are multi-year contracts, there is a multi-year need for technical assistance to provide planning, design, installation, and follow-up assistance. There are also active construction contracts where financial assistance has been obligated but the NRCS is reliant on FY 2005 technical assistance funds to support construction activities such as contracting and construction inspection.

State	Watershed Projects Authorized by Watershed Protection and Flood Prevention Act (PL-566)	Unfunded Federal Commitments	Congressional District
<i>AK</i>	Delta Clearwater	\$3,120,000.00	<i>01AK</i>
<i>AL</i>	Whitewater Creek	\$120,000.00	<i>02AL</i>
	Camp Branch	\$100,000.00	<i>02AL</i>
	Wilkerson Creek	\$230,000.00	<i>02AL</i>
	Harrison Mill-Panther Creeks	\$200,000.00	<i>02AL</i>
	Kelly-Preston Mill Creek	\$15,000.00	<i>02AL</i>
	Northeast Yellow River	\$1,300,000.00	<i>02AL</i>
	Pates Creek	\$230,000.00	<i>02AL</i>
	Choccolocco Creek	\$4,000,000.00	<i>03AL</i>
	Town Creek-Dekalb	\$640,000.00	<i>04AL</i>
	South Sauty Creek	\$410,000.00	<i>04AL</i>
	Short-Scarham Creeks	\$510,000.00	<i>04AL</i>
	South Sauty Creek	\$410,000.00	<i>05AL</i>
	Big Nance Creek	\$10,150,000.00	<i>05AL</i>
	Powell Creek	\$690,000.00	<i>07AL</i>
	Dry Creek	\$120,000.00	<i>07AL</i>
<i>AR</i>	Fourche Creek	\$802,000.00	<i>01AR</i>
	Poinsett	\$3,141,000.00	<i>01AR</i>
	Big Slough	\$16,312,000.00	<i>01AR</i>
	Buffalo River Tributaries	\$2,429,000.00	<i>01AR</i>
	South Fourche	\$3,738,000.00	<i>02AR</i>
	Little Red River	\$400,000.00	<i>02AR</i>
	Upper Petit Jean	\$11,591,000.00	<i>03AR</i>
	Buffalo River Tributaries	\$2,429,000.00	<i>03AR</i>
	Flat Rock Creek	\$1,696,000.00	<i>03AR</i>
	Upper Petit Jean	\$11,591,000.00	<i>04AR</i>
	South Fourche	\$3,738,000.00	<i>04AR</i>
	North Fork Of Ozan Creek	\$1,160,000.00	<i>04AR</i>
	Gould Portion Of Grady-Gould	\$1,332,000.00	<i>04AR</i>
	Ozan Creeks	\$6,236,000.00	<i>04AR</i>
<i>AZ</i>	Eloy	\$643,164.00	<i>01AZ</i>
	San Carlos	\$4,441,900.00	<i>01AZ</i>

	Hohokam	\$3,237,237.00	01AZ
	Maricopa-Stanfield	\$3,894,798.00	01AZ
	New Magma	\$1,393,880.00	01AZ
	West Maricopa	\$515,183.00	02AZ
	New Magma	\$1,393,880.00	06AZ
	West Maricopa	\$515,183.00	07AZ
	Maricopa-Stanfield	\$3,894,798.00	07AZ
	Hohokam	\$3,237,237.00	07AZ
	San Carlos	\$4,441,900.00	07AZ
CA	Central Sonoma	\$5,900,000.00	01CA
	Upper Stony Creek	\$150,000.00	02CA
	Indian Creek	\$150,000.00	04CA
	Central Sonoma	\$5,900,000.00	06CA
	Marsh-Kellogg Creek	\$3,750,000.00	10CA
	Upper Llagas Creek	\$150,000.00	11CA
	Marsh-Kellogg Creek	\$3,750,000.00	11CA
	Lower Llagas Creek	\$2,550,000.00	11CA
	Upper Llagas Creek	\$150,000.00	15CA
	Lower Silver Creek	\$16,300,000.00	15CA
	Lower Llagas Creek	\$2,550,000.00	15CA
	Lower Llagas Creek	\$2,550,000.00	16CA
	Lower Silver Creek	\$16,300,000.00	16CA
	Upper Llagas Creek	\$150,000.00	16CA
	Elkhorn Slough	\$1,000,000.00	17CA
	Carpinteria Valley	\$1,300,000.00	23CA
	Beardsley	\$100,000.00	23CA
	Beardsley	\$100,000.00	24CA
	Carpinteria Valley	\$1,300,000.00	24CA
	Mccooy Wash	\$5,900,000.00	45CA
CO	Highline Breaks	\$1,660,200.00	03CO
	Sixmile-St. Charles	\$2,921,300.00	03CO
	Holbrook Lake Ditch	\$500,000.00	03CO
	Holbrook Lake Ditch	\$500,000.00	04CO
	Beaver Creek	\$4,790,000.00	04CO
	Wolf Creek-Highlands	\$4,500.00	04CO
	Trinidad Lake North	\$95,000.00	04CO
	Highline Breaks	\$1,660,200.00	04CO

	Limestone-Graveyard Creeks	\$500,000.00	04CO
<i>CT</i>	Avery Brook	\$25,000.00	01CT
	South Branch Park River	\$75,000.00	01CT
	North Branch Park River	\$35,000.00	01CT
	Neck River	\$12,500.00	02CT
	Spaulding Pond Brook	\$25,000.00	02CT
	Furnace Brook-Middle River	\$115,000.00	02CT
	Yantic River	\$3,180,196.00	02CT
	Mill-Horse Brook	\$5,200,000.00	02CT
	Farm Brook	\$25,000.00	03CT
	Norwalk River	\$8,898,312.00	04CT
	Roaring Brook-Valnut Street Brook	\$12,500.00	05CT
	Norwalk River	\$8,898,312.00	05CT
	Blackberry River	\$25,000.00	05CT
<i>DE</i>	Broad Creek	\$1,840,000.00	01DE
	Marshyhope Creek	\$1,870,000.00	01DE
	Upper Nanticoke River	\$25,000.00	01DE
<i>FL</i>	North East Middle Suwannee River	\$905,000.00	02FL
	North West Middle Suwannee River	\$775,000.00	02FL
	South East Middle Suwannee River	\$474,000.00	02FL
	South West Middle Suwannee River	\$619,000.00	02FL
<i>GA</i>	Piscola Creek	\$2,379,479.00	04GA
	Tobesofkee Creek	\$2,408,092.00	08GA
	Five Points Area	\$1,684,170.00	08GA
	Tobesofkee Creek	\$2,408,092.00	09GA
	South Chickamauga Creek	\$2,667,576.00	10GA
	Lower Little Tallapoosa River	\$756,081.00	11GA
<i>HI</i>	Waimea-Paauilo	\$7,700,000.00	02HI
	Lahaina	\$7,500,000.00	02HI
	Lower Hamakua Ditch	\$3,580,000.00	02HI
	Upcountry Maui	\$6,600,000.00	02HI
	Wailuku-Alenaio	\$900,000.00	02HI
	Waimanalo	\$950,000.00	02HI
<i>IA</i>	Little River	\$925,000.00	02IA

	West Fork Of Big Creek	\$2,793,100.00	02IA
	Upper Locust Creek	\$3,171,800.00	02IA
	Soap Creek	\$4,606,200.00	02IA
	Soap Creek	\$4,606,200.00	03IA
	Little Paint Creek	\$688,000.00	04IA
	Bear Creek	\$6,652,300.00	04IA
	West Fork Of Big Creek	\$2,793,100.00	05IA
	Turkey Creek	\$4,273,000.00	05IA
	Troublesome Creek	\$7,920,000.00	05IA
	Mill Creek	\$998,600.00	05IA
	A&T Long Branch	\$371,000.00	05IA
	Hacklebarney	\$809,600.00	05IA
	Mosquito Of Harrison	\$1,828,000.00	05IA
	East Fork Of The Grand River	\$11,883,300.00	05IA
	Big Park	\$180,000.00	05IA
	Twelve Mile Creek	\$363,000.00	05IA
<i>ID</i>	Bedrock Creek	\$423,360.00	01ID
	Mission-Lapwai Creek	\$3,909,030.00	01ID
	Tammany Creek	\$3,595,474.00	01ID
	Scott's Pond	\$4,702,130.00	02ID
<i>IL</i>	Little Calumet River	\$55,800,000.00	01IL
	Little Calumet River	\$55,800,000.00	02IL
	Lower Des Plaines Tributaries	\$30,900,000.00	03IL
	Lower Des Plaines Tributaries	\$30,900,000.00	04IL
	Lower Des Plaines Tributaries	\$30,900,000.00	05IL
	Lower Des Plaines Tributaries	\$30,900,000.00	06IL
	Lower Des Plaines Tributaries	\$30,900,000.00	07IL
	Lower Des Plaines Tributaries	\$30,900,000.00	08IL
	Lower Des Plaines Tributaries	\$30,900,000.00	09IL
	Lower Des Plaines Tributaries	\$30,900,000.00	10IL
	Little Calumet River	\$55,800,000.00	11IL
	Lake Bloomington	\$2,380,000.00	11IL
	Lower Des Plaines Tributaries	\$30,900,000.00	13IL
	Little Calumet River	\$55,800,000.00	13IL
	Lake Bloomington	\$2,380,000.00	15IL
	Lake Carlville	\$820,000.00	17IL

<i>IN</i>	Pigeon Creek	\$151,500.00	<i>03IN</i>
	Four Mile Creek	\$210,000.00	<i>06IN</i>
	Mariah Creek	\$159,000.00	<i>08IN</i>
	Honey Creek	\$3,625,200.00	<i>08IN</i>
	Middle Fork Of Anderson River	\$12,000.00	<i>09IN</i>
	Muddy Fork Of Silver Creek	\$2,150,000.00	<i>09IN</i>
<i>KS</i>	Upper Black Vermillion	\$1,925,000.00	<i>01KS</i>
	Wet Walnut No. 3	\$2,910,000.00	<i>01KS</i>
	Middle Creek (Morris)	\$881,250.00	<i>01KS</i>
	South Fork	\$978,000.00	<i>01KS</i>
	Spillman Creek	\$5,000.00	<i>01KS</i>
	North Black Vermillion	\$6,901,200.00	<i>01KS</i>
	East Sector Whitewater River	\$990,000.00	<i>01KS</i>
	Wet Walnut No. 2	\$1,035,375.00	<i>01KS</i>
	Diamond Creek	\$5,400,000.00	<i>01KS</i>
	Lyons Creek	\$1,274,796.00	<i>01KS</i>
	Doyle Creek	\$2,430,000.00	<i>01KS</i>
	Upper Black Vermillion	\$1,925,000.00	<i>02KS</i>
	Squaw Creek Lower Wolf	\$9,230,400.00	<i>02KS</i>
	Upper Delaware And Tributaries	\$12,460,000.00	<i>02KS</i>
	South Fork Wolf	\$2,567,000.00	<i>02KS</i>
	Roy'S Creek	\$1,000.00	<i>02KS</i>
	North Black Vermillion	\$6,901,200.00	<i>02KS</i>
	North-Middle Forks Wolf	\$4,758,750.00	<i>02KS</i>
	Elk Creek	\$9,652,500.00	<i>02KS</i>
	Grasshopper-Coal Creek	\$3,097,900.00	<i>02KS</i>
	South Fork	\$978,000.00	<i>04KS</i>
	Doyle Creek	\$2,430,000.00	<i>04KS</i>
	Lower Elk River	\$843,000.00	<i>04KS</i>
	North Sector Upper Walnut	\$1,156,250.00	<i>04KS</i>
	West Sector Whitewater River	\$540,000.00	<i>04KS</i>
	East Sector Whitewater River	\$990,000.00	<i>04KS</i>
<i>KY</i>	Cane Valley	\$4,000.00	<i>01KY</i>
	Big Muddy Creek	\$750,000.00	<i>01KY</i>
	East And Middle Forks Of Massac Creek	\$1,500.00	<i>01KY</i>
	Upper Tradewater River	\$10,000.00	<i>01KY</i>
	Highland Creek	\$1,560,000.00	<i>01KY</i>

	Obion Creek	\$4,000,000.00	01KY
	West Fork Of Mayfield Creek	\$1,200,000.00	01KY
	Cane Valley	\$4,000.00	02KY
	Little And Middle Pitman Creek	\$2,500.00	02KY
	North Fork Nolin River	\$900,000.00	02KY
	Brashear'S Creek	\$620,000.00	04KY
	Fox Creek	\$1,200,000.00	04KY
	Pigeon Roost Creek	\$1,020,000.00	05KY
	Red Lick Creek	\$900,000.00	05KY
	Boone Fork	\$5,720,000.00	05KY
	Red Lick Creek	\$900,000.00	06KY
<i>LA</i>	Middle Tangipahoa	\$1,205,000.00	01LA
	West Fork Bayou L'Ours	\$6,132,301.00	03LA
	Bayou Penchant-Lake Penchant	\$4,389,715.00	03LA
	Bayou Bourbeux	\$10,210,000.00	03LA
	Cypress-Black Bayou	\$650,000.00	04LA
	Sicily Island	\$181,236.00	05LA
	Central Richland	\$1,550,000.00	05LA
	Avoyelles-St. Landry	\$439,286.00	05LA
	Middle Tangipahoa	\$1,205,000.00	06LA
	Bayou Duralde-Lower Nezipique	\$5,583,300.00	07LA
	Bayou Bourbeux	\$10,210,000.00	07LA
	Avoyelles-St. Landry	\$439,286.00	07LA
<i>MA</i>	Clam River	\$300,000.00	01MA
<i>MD</i>	Dry Run	\$238,000.00	06MD
	Linganore Creek	\$214,000.00	06MD
<i>ME</i>	Upper Piscataquis River	\$30,000.00	02ME
	Presque Isle Stream	\$85,000.00	02ME
	Meduxnekeag River	\$400,000.00	02ME
	Long-Cross Lakes	\$19,000.00	02ME
	Kenduskeag Stream	\$948,500.00	02ME
<i>MI</i>	Elk River	\$75,000.00	01MI
	Bear River	\$10,000.00	01MI
	Stony Creek Watershed	\$1,315,375.00	03MI
	Mud Creek	\$200,000.00	03MI

	Stony Creek Watershed	\$1,315,375.00	04MI
	South Branch Kawkawlin River	\$180,000.00	04MI
	South Branch Kawkawlin River	\$180,000.00	05MI
	Swan Creek	\$600,100.00	06MI
	Mud Creek	\$200,000.00	07MI
	Swan Creek	\$600,100.00	07MI
<i>MN</i>	Kanaranzi-Little Rock	\$675,000.00	01MN
	Whitewater River	\$855,000.00	01MN
	Canby Creek	\$40,000.00	07MN
	Snake River	\$1,000,000.00	07MN
<i>MO</i>	Willow-Cravens	\$1,450,000.00	04MO
	West Fork Of Big Creek	\$9,850,000.00	06MO
	Upper Locust Creek	\$14,600,000.00	06MO
	East Fork Of The Grand River	\$2,300,000.00	06MO
	Big Creek-Hurricane Creek	\$10,450,000.00	06MO
	East Yellow Creek	\$8,410,000.00	06MO
	East Locust Creek	\$15,350,000.00	06MO
	Moniteau Creek	\$3,700,000.00	06MO
	Hickory Creek	\$3,400,000.00	07MO
	Mckenzie Creek	\$950,000.00	08MO
	Marthasville Town Branch	\$150,000.00	09MO
	Moniteau Creek	\$3,700,000.00	09MO
	Troublesome Creek	\$4,800,000.00	09MO
	Grassy Creek	\$2,700,000.00	09MO
<i>MS</i>	Chiwapa Creek	\$600,000.00	01MS
	Browns Creeks	\$13,031,200.00	01MS
	Tuscumbia River	\$6,475,000.00	01MS
	Porters Creek	\$250,000.00	01MS
	Town Creek	\$7,000,000.00	01MS
	South Delta	\$1,588,000.00	02MS
	Ellison Creek	\$1,250,000.00	02MS
	Standing Pine Creek	\$1,627,000.00	02MS
	Persimmon & Burnt Corn Creek	\$1,250,000.00	02MS
	Copiah Creek	\$240,000.00	02MS
	Big Creek	\$2,719,000.00	03MS
	Sowashee Creek	\$12,015,600.00	03MS

	Tallahaga Creek	\$2,100,000.00	03MS
	Big Creek	\$2,719,000.00	04MS
	Long Beach	\$4,375,000.00	04MS
	Dry Creek (Columbia)	\$438,000.00	04MS
<i>MT</i>	Buffalo Rapid	\$8,651,895.00	01MT
<i>NC</i>	Swan Quarter	\$6,000,000.00	03NC
	Deep Creek (Yadkin)	\$8,400,000.00	05NC
	Meadow Branch	\$357,840.00	07NC
	Second Broad River	\$5,125,000.00	10NC
	Upper French Broad River	\$307,776.00	11NC
<i>ND</i>	Taylor	\$38,000.00	01ND
	Upper Turtle River	\$470,000.00	01ND
	Square Butte Creek	\$7,397,500.00	01ND
	Muskrat Lake Basin	\$20,000.00	01ND
	Middle Branch-Park River	\$1,158,000.00	01ND
	Colfax	\$1,573,000.00	01ND
	Belfield	\$4,665,000.00	01ND
<i>NE</i>	Papillion Creek	\$548,000.00	01NE
	Wolf-Wildcat Creek	\$20,000.00	01NE
	East-West-Dry Maple Creeks	\$20,000.00	01NE
	South Branch Little Nemaha	\$525,000.00	01NE
	Middle Big Nemaha	\$10,000.00	01NE
	Aowa Creek	\$210,000.00	01NE
	Papillion Creek	\$548,000.00	02NE
	Upper Medicine Creek	\$1,550,000.00	03NE
	Swan Creek	\$20,000.00	03NE
	Gering Valley	\$822,000.00	03NE
	East-West-Dry Maple Creeks	\$20,000.00	03NE
	Lower Medicine Creek	\$1,257,000.00	03NE
	Blackwood Creek	\$161,000.00	03NE
<i>NH</i>	Cold River-Old Course Saco	\$25,000.00	01NH
	Oliverian Brook	\$25,000.00	01NH
	Sugar River	\$30,000.00	01NH
	Baker River	\$25,000.00	02NH

<i>NM</i>	Prop Canyon & Tributaries	\$825,000.00	02NM
	Caballo Arroyos	\$1,543,750.00	02NM
	Cottonwood-Walnut Creek	\$7,387,500.00	02NM
	Espanola-Rio Chama	\$15,900,000.00	03NM
	Zuni Pueblo	\$16,443,750.00	03NM
<i>NY</i>	Nyc Ws (Ashokan)	\$55,377.00	20NY
	Nyc Ws (Schoharie)	\$184,590.00	20NY
	Nyc Ws (Lower Cannonsville)	\$609,147.00	20NY
	Tomhannock Reservoir	\$300,000.00	20NY
	Nyc Ws (Pepacton)	\$332,262.00	20NY
	Nyc Ws (Upper Cannonsville)	\$609,147.00	20NY
	Nyc Ws (Upper Cannonsville)	\$609,147.00	21NY
	Nyc Ws (Schoharie)	\$184,590.00	21NY
	Nyc Ws (Rondout)	\$36,918.00	22NY
	Nyc Ws (Pepacton)	\$332,262.00	22NY
	Nyc Ws (Lower Cannonsville)	\$609,147.00	22NY
	Nyc Ws (Ashokan)	\$55,377.00	22NY
	Mill Brook	\$1,150,000.00	24NY
<i>OH</i>	Upper Stillwater River	\$120,000.00	04OH
	Upper Blanchard River	\$1,150,000.00	04OH
	Short Creek	\$6,150,000.00	06OH
	Wills Creek	\$560,000.00	06OH
	North Hocking River	\$2,647,000.00	07OH
	South Fork Licking River	\$6,495,000.00	07OH
	Rush Creek	\$1,275,000.00	07OH
	Four Mile Creek	\$3,565,000.00	08OH
	Lower Stillwater River	\$120,000.00	08OH
	Upper Stillwater River	\$120,000.00	08OH
	South Fork Licking River	\$6,495,000.00	12OH
	Rush Creek	\$1,275,000.00	18OH
	Short Creek	\$6,150,000.00	18OH
	Wills Creek	\$560,000.00	18OH
	South Fork Licking River	\$6,495,000.00	18OH
<i>OK</i>	Cotton-Coon-Mission Creek	\$4,567,800.00	01OK
	Lower Clear Boggy Creek	\$21,900,600.00	02OK
	Carney Creek	\$677,452.00	02OK

	Brushy-Peaceable Creek	\$15,511,200.00	02OK
	Upper Muddy Boggy Creek	\$3,891,600.00	02OK
	Okfuskee Tributaries	\$2,773,800.00	02OK
	Upper Blue River	\$23,032,200.00	02OK
	Dry Creek	\$4,885,200.00	03OK
	Lost-Duck Creeks	\$2,428,800.00	03OK
	Wild Horse Creek	\$621,000.00	03OK
	Lugert-Altus	\$3,075,000.00	03OK
	Deer Creek	\$3,075,000.00	03OK
	Turkey Creek	\$7,120,800.00	03OK
	Hoyle Creek	\$1,573,200.00	03OK
	Robinson Creek	\$1,959,600.00	03OK
	Kickapoo Nations	\$5,782,200.00	03OK
	Lower Red Rock Creek	\$10,780,000.00	03OK
	Lower Black Bear Creek	\$5,809,800.00	03OK
	Upper Elk Creek	\$8,694,000.00	03OK
	Quapaw Creek	\$3,215,400.00	03OK
	Tri-County Turkey Creek	\$1,918,200.00	03OK
	Salt-Camp Creek	\$6,996,600.00	03OK
	Upper Black Bear Creek	\$1,048,800.00	03OK
	Upper Red Rock Creek	\$5,989,200.00	03OK
	Stillwater Creek	\$9,522,000.00	03OK
	Lower Bayou	\$4,685,100.00	04OK
	Sandy Creek	\$1,214,000.00	04OK
	Little Beaver Creek	\$5,740,800.00	04OK
	Middle Deep Red Run Creek	\$9,466,800.00	04OK
	Cow Creek	\$5,768,400.00	04OK
	Jack Creek	\$966,000.00	04OK
	Upper Bayou	\$10,212,000.00	04OK
<i>OR</i>	Lower Tillamook Bay	\$4,496,047.00	05OR
<i>PA</i>	Little Toby	\$600,000.00	05PA
	Mill Creek (Clarion And Jefferson)	\$3,475,000.00	05PA
	Tulpehocken Creek	\$4,050,000.00	06PA
	Brandywine Creek	\$2,450,000.00	06PA
	Brandywine Creek	\$2,450,000.00	07PA
	Neshaminy Creek	\$12,140,000.00	08PA
	Oven Run	\$250,000.00	09PA

	Yellow Creek	\$70,000.00	09PA
	Indian Creek	\$3,300,000.00	09PA
	Glenwhite Run	\$290,000.00	09PA
	Indian Creek	\$3,300,000.00	12PA
	Neshaminy Creek	\$12,140,000.00	13PA
	Red-White Clay Creek	\$2,950,000.00	16
	Tulpehocken Creek	\$4,050,000.00	16PA
	Brandywine Creek	\$2,450,000.00	16PA
	Red-White Clay Creek	\$2,950,000.00	16PA
	Tulpehocken Creek	\$4,050,000.00	17PA
	Indian Creek	\$3,300,000.00	18PA
	Monastery Run	\$530,000.00	18PA
<i>PR</i>	Anasco River	\$743,837.00	01PR
<i>SC</i>	Holly Hill	\$130,000.00	06SC
<i>SD</i>	Fall River-North Unit	\$65,000.00	01SD
	Fall River-South Unit	\$686,400.00	01SD
	Lower Little Mn River-Big Stone Lake	\$70,000.00	01SD
<i>TN</i>	Lick Creek (1995)	\$1,012,000.00	01TN
	Big Limestone Creek	\$543,000.00	01TN
	Sweetwater Creek	\$2,112,000.00	02TN
	Beans Creek	\$1,006,000.00	04TN
	Hickory Creek	\$2,162,287.00	04TN
	Bear Creek (Scott)	\$3,985,000.00	04TN
	Bear Creek (Scott)	\$3,985,000.00	05TN
	Sulphur Fork Creek	\$308,000.00	05TN
	Sulphur Fork Creek	\$308,000.00	06TN
	Big Creek	\$552,000.00	07TN
	Sulphur Fork Creek	\$308,000.00	07TN
	Beaver Creek	\$1,716,000.00	07TN
	North Fork Wolf River	\$1,374,000.00	07TN
	White Oak Creek	\$965,000.00	08TN
	Reelfoot-Indian Creek	\$4,071,400.00	08TN
	North Fork-Forked Deer River	\$6,790,000.00	08TN
	Mcnairy-Cypress Creek	\$12,283,000.00	08TN
	Madison-Cypress Creek	\$1,019,000.00	08TN

	Hurricane Creek	\$2,008,000.00	08TN
	Cane Creek	\$8,371,000.00	08TN
	Spring Creek	\$1,874,000.00	08TN
	Beaver Creek	\$1,716,000.00	08TN
	Big Creek	\$552,000.00	08TN
<i>TX</i>	Pine Creek	\$2,600,000.00	01TX
	Caney Creek	\$1,340,000.00	04TX
	Choctaw Creek	\$15,295,000.00	04TX
	Big Creek (Tri-county)	\$19,000,000.00	05TX
	Elm Creek (Cen-Tex)	\$6,810,000.00	05TX
	Nolan River	\$50,000.00	06TX
	Lower Aquilla-Hackberry Creek	\$30,000.00	06TX
	Aquilla-Hackberry Creek	\$2,925,000.00	06TX
	Upper North Bosque River	\$725,000.00	11TX
	Lower Aquilla-Hackberry Creek	\$30,000.00	11TX
	Big Creek (Tri-county)	\$19,000,000.00	11TX
	Elm Creek (Cen-Tex)	\$6,810,000.00	11TX
	Donahoe Creek	\$3,900,000.00	11TX
	Red Deer Creek	\$10,725,000.00	13TX
	Sulphur Creek (wp)	\$50,000.00	14TX
	Ecleto Creek	\$2,075,000.00	14TX
	Sulphur Creek (wp)	\$50,000.00	15TX
	Paluxy River	\$5,850,000.00	17TX
	Elm Creek (1250)	\$5,045,000.00	17TX
	Upper North Bosque River	\$725,000.00	17TX
	Bexar-Medina-Atascosa Counties Water Conservation	\$57,700,000.00	20TX
	Bexar-Medina-Atascosa Counties Water Conservation	\$57,700,000.00	23TX
	Leona River	\$1,300,000.00	23TX
	Bexar-Medina-Atascosa Counties Water Conservation	\$57,700,000.00	28TX
	Los Olmos Creek	\$9,750,000.00	28TX
	Donahoe Creek	\$3,900,000.00	31TX
<i>UT</i>	Tri-Valley	\$2,402,538.00	03UT
	Muddy Creek-Orderville	\$2,240.00	03UT
	Dry Gulch-Martin Lateral	\$12,500.00	03UT

<i>VA</i>	Ararat River	\$3,900,000.00	05VA
	Sandy Creek	\$125,000.00	05VA
	Bush River	\$25,000.00	05VA
	Buena Vista	\$8,317,000.00	06VA
	Hays Creek	\$620,000.00	06VA
	Stewarts Creek-Lovills Creek	\$25,000.00	09VA
	Little Reed Island Creek	\$1,050,000.00	09VA
	Three Creek	\$850,000.00	09VA
	Marrowbone Creek	\$1,900,000.00	09VA
	Lick Creek	\$4,032,500.00	09VA
	Copper Creek	\$125,000.00	09VA
	Chestnut Creek	\$850,000.00	09VA
	Watkins Branch	\$3,019,099.00	09VA
	Cripple Creek	\$125,000.00	09VA
	Opequon Creek	\$10,000.00	10VA
	Cedar Run	\$18,105,033.00	10VA
<i>VT</i>	Barton And Clyde Rivers	\$1,820,000.00	01VT
	Lower Lamoille River	\$1,490,000.00	01VT
<i>WA</i>	Omak Creek	\$615,710.00	05WA
	East Side Green River	\$1,761,100.00	08WA
	East Side Green River	\$1,761,100.00	09WA
<i>WI</i>	Bad Axe	\$127,200.00	03WI
	Bogus Creek	\$96,000.00	03WI
	Coon Creek	\$144,000.00	03WI
<i>WV</i>	Teter Creek	\$50,000.00	01WV
	Upper Deckers Creek	\$2,300,000.00	01WV
	Upper Tygarts	\$100,000.00	02WV
<i>WY</i>	Lingle Fort Laramie	\$5,524,955.00	01WY
	Allison Draw	\$1,923,760.00	01WY
	North Platte River	\$1,124,579.00	01WY
	National Total	\$1,965,199,371.00	

There are 95 active PL-534 sub-watershed projects in seven states, whose sponsors request a total \$322 million to complete the planned works of improvement. The

following is a summary of projects that are active, but no work would be completed under the FY 2005 President's budget proposal.

State	Status of Watershed Projects Authorized by Flood Control Act (PL-534)	Estimated Federal Costs	Congressional District
			
IOWA	Ltl. Sioux-Anthon	\$5,633,400	5
	Ltl. Sioux-Bitter Creek	\$1,200,000	5
	Ltl. Sioux-Jett	\$240,000	5
	Ltl. Sioux-Westside	\$480,000	5
	Ltl. Sioux-Zellmer	\$360,000	5
MISSISSIPPI	Ltl. Talla - Cane Creek	\$1,062,500	1
	Ltl. Talla - Cypress & Puss Cuss	\$5,160,000	1
	Ltl. Talla - Duncan-Cane Creeks	\$2,125,000	1
	Ltl. Talla - Greasy Creek	\$750,000	1
	Ltl. Talla - Hell Creek	\$875,000	1
	Ltl. Talla - Locks Creek	\$250,000	1
	Ltl. Talla - Lower Tippah River	\$15,210,000	1
	Ltl. Talla - Ltl. Spring-Ochewalla Cr.	\$625,000	1
	Ltl. Talla - Mill Creek	\$3,476,000	1
	Ltl. Talla - Mud Creek	\$375,000	1
	Ltl. Talla - North Tippah Creek	\$2,431,000	1
	Ltl. Talla - Oaklimer Creek	\$11,263,000	1
	Ltl. Talla - Okonatie Creek	\$250,000	1
	Ltl. Talla - Upper Tippah River	\$6,625,000	1
	Yazoo - Abiaca Creek	\$10,553,750	2
	Yazoo - Arkabutla Creek	\$3,512,300	1
	Yazoo - Askalmore Creek	\$2,594,000	1
	Yazoo - Batupan Bogue	\$1,250,000	2
	Yazoo - Big Sand Creek	\$7,678,700	2
	Yazoo - Black Creek	\$5,000,000	2
	Yazoo - Black Creek (Delta)	\$7,500,000	2
	Yazoo - Buntyn Creek	\$910,000	2
	Yazoo - Burney Branch	\$5,250,000	1
	Yazoo - Bynum Creek	\$1,208,000	2

	Yazoo - Cane-Mussacuna Cks.	\$1,591,000	1
	Yazoo - Coldwater River	\$10,740,000	1
	Yazoo - Cypress Creek	\$3,012,500	1
	Yazoo - Davis Splinter Creek	\$1,935,000	1
	Yazoo - Eden Creek	\$63,000	2
	Yazoo - Fighting Bayou	\$531,300	2
	Yazoo - Hickahala Creek	\$1,188,000	1
	Yazoo - Hoffa Creek	\$3,412,500	1
	Yazoo - Hotophia Creek	\$500,000	1
	Yazoo - Hurricane-Wolf Creek	\$5,324,000	1
	Yazoo - Indian Cr. - Bobo Bayou	\$1,250,000	2
	Yazoo - Johnson And Fair Cks.	\$1,720,000	2
	Yazoo - Long Creek	\$1,250,000	1
	Yazoo - North Tillatoha-Hunter	\$1,875,000	2
	Yazoo - Northern Drainage District	\$1,000,000	2
	Yazoo - Otoucalofa Creek	\$2,806,000	1
	Yazoo - Pelucia Creek	\$4,535,000	2
	Yazoo - Perry Creek	\$2,231,000	1
	Yazoo - Persimmon Creek	\$5,000,000	1
	Yazoo - Pigeon Roost Creek	\$12,578,700	1
	Yazoo - Piney Creek	\$16,250,000	2
	Yazoo - Potacocawa Creek	\$1,837,500	2
	Yazoo - Riverdale Creek	\$695,000	1
	Yazoo - Riverside Black Bayou	\$1,875,000	2
	Yazoo - Senatobia Creek	\$500,000	1
	Yazoo - Short Fork Creek	\$3,940,000	1
	Yazoo - Skuna River	\$5,818,800	1
	Yazoo - Sledge Bayou	\$25,000	2
	Yazoo - Strayhorn Creek	\$6,375,000	1
	Yazoo - Tillatoba Creek	\$19,885,000	1
	Yazoo - Toposhaw	\$3,125,000	1
	Yazoo - Upper Skuna River	\$6,820,000	1
	Yazoo - Yalobusha River	\$625,000	1
	Ltl. Talla - Upper Tallahatchie	\$1,250,000	1
	Ltl. Talla - Ayers Creek	\$2,600,000	1
NEW YORK	Buffalo - Buffalo	\$1,375,000	30, 31, 33
OKLAHOMA	Washita - Bear Creek	\$1,242,000	6
	Washita - Bitter Creek	\$1,228,200	4
	Washita - Caddo Creek	\$386,400	3,4
	Washita - Fort Cobb Laterals	\$1,090,200	6
	Washita - Ionine Creek	\$1,614,600	4
	Washita - Little Washita	\$220,800	4
	Washita - Maysville Laterals	\$786,600	4

	Washita - Rush Creek	\$469,200	4
	Washita - Spring Creek	\$648,600	6
	Washita - Sugar Creek	\$607,200	6
	Washita - Wildhorse Ck-Upper and Lower	\$586,500	3,4
TEXAS	Mdl. Colorado - Southwest Laterals	\$2,000,000	11
	Mdl. Colorado - Upper Pecan Bayou	\$4,275,000	17
	Trinity - Big Sandy Creek	\$17,900,000	13,17
	Trinity - Cedar Creek	\$11,000,000	4
	Trinity - Chambers Creek	\$5,500,000	24
	Trinity - Denton Creek	\$1,100,000	17
	Trinity - East Fork Above Lavon	\$5,500,000	4
	Trinity - Hickory Creek	\$2,200,000	26
	Trinity - Little Elm & Laterals	\$2,200,000	4
	Trinity - Lower E. Fork Laterals	\$1,100,000	4,5
	Trinity - Pilot Grove	\$2,200,000	4
	Trinity - Richland Creek	\$11,000,000	11,24
	Trinity - Salt Creek & Laterals	\$2,200,000	17
VIRGINIA	Potomac - Linville Creek	\$450,000	7
	Potomac - Lower North River	\$350,000	6
	Potomac - South River	\$350,000	6
	Potomac - Upper North River	\$350,000	6
WEST VIRGINIA	Potomac - Lost River	\$3,250,000	2
	Potomac - Potomac Headwaters	\$600,000	1,22
TOTAL		\$321,792,250	

2. By Congressional District, what on-going studies under the watershed planning and surveys account would be terminated or suspended if the Administration's proposed FY 2005 budget were enacted?

Response: Fiscal Year (FY) 2004 requests total over \$23 million. A small percentage of the listed projects will be completed in FY 2004 considering that FY 2004 funding was less than half of the amount needed, and considering that most planning projects are not started and finished in the same year. The Administration's proposed FY 2005 budget is \$5 million, and would partially fund only the one plan or study that is identified as the highest priority in each state. The following is the most current list of all of the Watershed Surveys and Planning requests (an updated list with state priorities will be submitted by June 2004 when the next revision to the database is complete.)

State	Congressional Districts	Watershed Surveys and Planning Project Name	Technical Assistance Requested	Year of Request
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AK	0	Nushagak-Mulchatna Watershed	\$ 20,000	2004
AK	0	Native Village of Nightmute	\$100,000	2004
AK	0	Watershed Planning Salmon Recovery Southeast Conference	\$50,000	2004
AK	0	McCarthy Creek	\$30,000	2004
AL	1	Piney Creek Watershed	\$20,000	2004
AL	1	Wilkerson Creek Watershed	\$20,000	2004
AL	1	Coosa River Watershed	\$30,000	2004
AR	1	Bayou Deview Watershed	\$100,000	2004
AR	1	L'Anquille River Watershed	\$100,000	2004
AZ	3	Navajo Nation Land and Water Initiative	\$80,000	2004
AZ	2	State of Arizona Drought Plan	\$40,000	2004
AZ	6	State of Arizona Drought Plan	\$40,000	2004
AZ	2	State of Arizona Forest Health Initiative	\$40,000	2004
AZ	6	State of Arizona Forest Health Initiative	\$40,000	2004
AZ	1	State of Arizona Rural Watershed Initiative	\$80,000	2004
AZ	2	State of Arizona Rural Watershed Initiative	\$80,000	2004
AZ	3	State of Arizona Rural Watershed Initiative	\$80,000	2004
AZ	4	State of Arizona Rural Watershed Initiative	\$80,000	2004
AZ	5	State of Arizona Rural Watershed Initiative	\$80,000	2004
AZ	6	State of Arizona Rural Watershed Initiative	\$80,000	2004
AZ	1	Arizona 6th-Code Hydrologic Unit Area Delineations	\$40,000	2004
AZ	2	Arizona 6th-Code Hydrologic Unit Area Delineations	\$40,000	2004
AZ	3	Arizona 6th-Code Hydrologic Unit Area Delineations	\$40,000	2004
AZ	4	Arizona 6th-Code Hydrologic Unit Area Delineations	\$40,000	2004
AZ	5	Arizona 6th-Code Hydrologic Unit Area Delineations	\$40,000	2004
AZ	6	Arizona 6th-Code Hydrologic Unit Area Delineations	\$40,000	2004
AZ	1,2,3,4,5,6,7,8	Arizona NRCS Water Quantity & Quality Plan	\$40,000	2004
CA	3	Cosgrove Creek Floodplain Management Report	\$30,000	2004
CA	1	Awareness Floodplain Mapping	\$50,000	2004
CA	2	Awareness Floodplain Mapping	\$50,000	2004
CA	2	Antelope Creek	\$80,000	2004
CA	1	Klamath Basin Cooperative River Basin Study	\$150,000	2004
CA	2	Klamath Basin Cooperative River Basin Study	\$150,000	2004
CA	4	Klamath Basin Cooperative River Basin Study	\$150,000	2004

CA	3	Central Sierra Streams	\$100,000	2004
CA	45	Oasis Area	\$300,000	2004
CA	41	Southern California Tree Mortality	\$150,000	2004
CA	45	Southern California Tree Mortality	\$150,000	2004
CA	49	Southern California Tree Mortality	\$150,000	2004
CA	52	Southern California Tree Mortality	\$150,000	2004
CA	2	Klamath Basin PL-566	\$300,000	2004
CA	4	Klamath Basin PL-566	\$300,000	2004
CO	4	Beaver Creek Watershed	\$20,000	2004
CO	3	Bent's Fort	\$50,000	2004
CO	4	Bent's Fort	\$50,000	2004
CO	5	Patterson Hollow	\$100,000	2004
CO	3	Mancos	\$90,000	2004
CO	4	Sterling Watershed	\$50,000	2004
CO	3	Hoeny/Sunflower	\$50,000	2004
CT	5	Blackberry River Watershed Emergency Operations Plan	\$50,000	2004
CT	3	Farm River Stream Channel Encroachment Line Study	\$10,000	2004
CT	3	Connecticut Watershed Protection Project	\$125,000	2004
CT	1	Upper Quinnipiac River Large Woody Debris Study	\$20,000	2004
DE	0	Christina River FPMS Study Update	\$60,000	2004
FL	4	Santa Fe River	\$200,000	2004
FL	6	Santa Fe River	\$200,000	2004
GA	03-GA	Turkey Creek Watershed	\$200,000	2004
GA	11-GA	Big Cedar Creek Watershed	\$87,500	2004
GA	ALL	UGA-Interagency Coordination	\$87,500	2004
GA	09-GA	Columbia County FPMS	\$87,500	2004
GA	09-GA	Banks County FPMS	\$25,000	2004
GA	ALL	River Basin Planning [EPD]	\$87,500	2004
GA	ALL	Agricultural Watershed Planning	\$300,000	2004
HI	2	Molokai River Basin Study	\$100,000	2004
HI	1	Lower Kula Watershed	\$150,000	2004
HI	2	Hanalei Watershed	\$100,000	2004
HI	2	South Kona Watershed	\$150,000	2004
IA	5	West Tarkio Creek Watershed	\$350,000	2004

IA	5	Osceola Water Supply	\$200,000	2004
ID	1	Potlatch River	\$100,000	2004
ID	1	Weiser River	\$125,000	2004
ID	2	Ashton	\$72,500	2004
ID	2	Minidoka	\$72,500	2004
IL	8	Boone	\$50,000	2004
IL	18	Crow Creek East	\$50,000	2004
IL	11	Indian Creek	\$50,000	2004
IL	11	Kankakee River and Northern Tributaries	\$50,000	2004
IL	1	Little Calumet River	\$50,000	2004
IL	2	Little Calumet River	\$50,000	2004
IL	3	Little Calumet River	\$50,000	2004
IL	4	Little Calumet River	\$50,000	2004
IL	5	Little Calumet River	\$50,000	2004
IL	7	Little Calumet River	\$50,000	2004
IL	8	Little Calumet River	\$50,000	2004
IL	11	Little Calumet River	\$50,000	2004
IL	15	Mill Creek	\$50,000	2004
IL	18	Big Long Creek	\$50,000	2004
IN	ALL	NIRPC Regional Plan	\$8,000	2004
IN	9	Lower Laughery Creek	\$8,000	2004
IN	6	Whitewater-Wayne County	\$6,200	2004
IN	6	White River - Madison County	\$5,000	2004
IN	2,4,5	Wildcat Creek	\$6,000	2004
IN	4	Little Sugar Creek	\$5,000	2004
IN	2	Eel River-Tick Creek	\$8,000	2004
IN	2	Lake Maxinkuckee	\$8,000	2004
IN	6	Clifty Creek Watershed Project	\$8,000	2004
IN	9	Clifty Creek Watershed Project	\$8,000	2004
IN	1	Dunes Creek Watershed Plan	\$8,000	2004
IN	3	Pigeon Creek Watershed Plan	\$6,000	2004
IN	3	Five Lakes Area Watershed Plan	\$8,000	2004
IN	4	White Lick Creek	\$8,000	2004
IN	9	Yellowwood Lake	\$8,000	2004
IN	6	White River Delaware County	\$4,500	2004
IN	3	St Joe/ Cedar Creek	\$8,000	2004
KS	2	Marmaton River Watershed	\$75,000	2004
KS	2	Cedar Creek Watershed	\$100,000	2004
KS	2	Spring-Straight Creek Watershed	\$100,000	2004

KS	1	Coon Creek Watershed	\$31,000	2004
KS	1	Sand Creek	\$23,000	2004
KY	5	Rockhouse Creek	\$100,000	2004
KY	2	Salt River	\$5,000	2004
KY	3	Salt River	\$5,000	2004
KY	4	Salt River	\$5,000	2004
KY	4	Fleming Creek	\$20,000	2004
KY	1	Lower MS Valley Initiative	\$5,000	2004
KY	5	Big Sandy River coalition	\$20,000	2004
KY	1	Purchase Area Wetland Development Initiative	\$20,000	2004
KY	1	Eagle Creek	\$10,000	2004
KY	1	Guthrie Flood Protection Project	\$10,000	2004
KY	4	Carter County Flood Protection Plan	\$100,000	2004
LA	7	Sabine Black Bayou Watershed	\$25,000	2004
LA	7	Hebert Canal	\$50,000	2004
LA	3 & 7	East Vermilion/West Iberia Freshwater Development	\$50,000	2004
LA	4	Cane River Irrigation	\$300,000	2004
MA	10	Cape Cod Water Resources Study	\$150,000	2004
MA	1	Sawmill River Watershed Study	\$40,000	2004
MA	1	North River Watershed Assessment Report	\$70,000	2004
MA	6	Farley Brook FPMS	\$40,000	2004
MD	6	Braddock Run	\$120,000	2004
ME	2	Prestile Stream Watershed	\$100,000	2004
ME	2	Penobscot River	\$150,000	2004
ME	2	Narraguagus and Pleasant Rivers	\$300,000	2004
MI	3	Thornapple River	\$50,000	2004
MI	7	Thornapple River	\$50,000	2004
MI	2	Rabbit River Watershed	\$150,000	2004
MI	3	Rabbit River Watershed	\$150,000	2004
MI	6	Rabbit River Watershed	\$150,000	2004
MI	7	Kalamazoo River	\$50,000	2004
MN	7	Red Lake Indian Reservation	\$130,000	2004
MN	ALL	Minnesota Water Plan	\$100,000	2004
MN	1	Winnebago Creek	\$10,000	2004
MN	7	Campbell/Rice Lake	\$300,000	2004

MN	7	Two Rivers WD (Spring Brook twp)	\$200,000	2004
MN	7	Canby Creek Watershed - Access for people with disabilities	\$20,000	2004
MN	7	Wild Rice River Watershed, South Branch	\$25,000	2004
MN	7	Buffalo River Watershed	\$25,000	2004
MN	7	Comstock Coulee Watershed	\$25,000	2004
MO	6	East Locust Creek Watershed Supplement	\$250,000	2004
MO	4	Crooked River	\$50,000	2004
MO	2	Lost Creek	\$25,000	2004
MO	8	Pike Creek	\$50,000	2004
MO	9	Flat Creek	\$50,000	2004
MO	8	Quick Creek	\$50,000	2004
MO	7	Clear Creek Watershed, Pierce City, Missouri	\$150,000	2004
MS	2	Porter Bayou	\$50,000	2004
MS	2	Sunflower River Low Flow Augmentation	\$200,000	2004
MT	0	Yellowstone River Vegetation Evaluation	\$100,000	2004
MT	0	West Gallatin Water Users	\$10,000	2004
MT	0	Lower Birch Creek Watershed Supplement	\$50,000	2004
MT	0	Mill Creek Watershed	\$20,000	2004
MT	0	Yellowstone River Riparian Assessment	\$50,000	2004
MT	0	Milk River Irrigation Evaluation	\$100,000	2004
NC	ALL	NC Hydrologic Unit River Basin Study	\$50,000	2004
ND	0	Ft. Berthold Watershed	\$50,000	2004
ND	0	Cypress Creek Watershed	\$10,000	2004
ND	0	Badger Coulee Watershed	\$60,000	2004
ND	0	Powers Lake	\$30,000	2004
ND	0	Lake Hoskins	\$25,000	2004
ND	0	Northgate	\$35,000	2004
ND	0	Deep Creek	\$10,000	2004
ND	0	Ft. Berthold - Irrigation Feasibility Study	\$50,000	2004
ND	0	Drought Assessment	\$15,000	2004
NE	1	Lower South Platte HUA Area-Wide Assessment	\$20,000	2004
NE	3	Lower South Platte HUA Area-Wide Assessment	\$20,000	2004
NE	ALL	Nebraska - Statewide HUA 14-Digit Characterization	\$100,000	2004
NE	3	Upper Niobrara-White HUA Area-Wide Assessment	\$1,500	2004
NE	3	North Platte River Resource Assessment	\$100,000	2004

NH	ALL	IRT Technical Assistance in NE States	\$100,000	2004
NH	1	Harts Location	\$25,000	2004
NH	1	Bass Beach/Philbreck Pond	\$45,000	2004
NH	2	Swanzy Mill Dam W/S	\$15,000	2004
NJ	12	Millstone River	\$100,000	2004
NJ	12	Lockatong Creek/Wickeocheoke Creek	\$100,000	2004
NJ	3	North Branch Rancocas Creek	\$100,000	2004
NJ	1,2,3,4,5,6,7,8, 9,10,11,12,13	New Jersey Long Range Water Resource Plan	\$100,000	2004
NM	2	Pecos Cooperative River Basin Study	\$10,000	2004
NM	3	Pecos Cooperative River Basin Study	\$10,000	2004
NM	3	West Las Vegas	\$15,000	2004
NM	3	Moreno Valley	\$30,000	2004
NM	3	Hobbs Watershed	\$30,000	2004
NM	2	Watershed Project Sponsor Assistance	\$80,000	2004
NM	3	Watershed Project Sponsor Assistance	\$80,000	2004
NV	2	Pyramid Lake Indian Reservation (PLIR) Comprehensive Resource Management Plan	\$76,800	2004
NV	2	Duckwater Indian Reservation	\$89,500	2004
NY	24	Moodna Creek Watershed	\$150,000	2004
OH	7	Upper Hocking 8	\$5,000	2004
OH	7	Upper Hocking R23	\$5,000	2004
OH	4	Upper Auglaize Study	\$65,000	2004
OH	16	Chippewa Lake	\$10,000	2004
OH	8	Four Mile, Site 4	\$20,000	2004
OH	4	Indian Lake	\$2,000	2004
OH	16	Landis Ditch	\$5,000	2004
OH	5	Wabash River	\$26,000	2004
OK	4	City of Healdton Municipal Water Supply	\$300,000	2004
OK	2	City of Holdenville Municipal Water Supply	\$40,000	2004
OK	4	City of Elmore City Municipal Water Supply	\$40,000	2004
OK	1	Snake Creek	\$100,000	2004
OK	2	Snake Creek	\$100,000	2004
OK	4	City of Newcastle	\$75,000	2004
OR	2	Upper Klamath Basin Cooperative River Basin Study	\$340,000	2004
OR	2	South Fork of John Day River Watershed	\$180,000	2004
OR	2	Patawa/Tutuilla Creek Watershed	\$120,000	2004

OR	2	Lostine River Watershed Irrigation Project	\$180,000	2004
OR	2	Squaw Creek	\$50,000	2004
OR	2	Statewide Rapid Subbasin Assessments	\$200,000	2004
PA	10	Bentley Creek	\$130,000	2004
PA	5	Toby Creek	\$10,000	2004
PA	9	Kittanning Run	\$20,000	2004
PA	5	Kettle Creek	\$10,000	2004
PA	5	Anderson Run	\$20,000	2004
PA	17	Susquehanna River	\$25,000	2004
PA	9	Casselman River	\$10,000	2004
PA	9	Sugar Run	\$10,000	2004
PA	9	Piney Creek	\$20,000	2004
PA	9	Morgan Run	\$10,000	2004
PA	9	Laurel Hill Creek	\$10,000	2004
PB	1	Coral Reef Sedimentation - Fouha WS, Guam	\$100,000	2004
PB	1	Northern Guam Watershed Study	\$100,000	2004
PB	1	Ugum Watershed Plan	\$50,000	2004
PB	1	Garapan Watershed	\$100,000	2004
PB	1	Ngeriikil Watershed Assessment	\$50,000	2004
PR	98	Addressing Water Needs For Small Farmers in USVI	\$50,000	2004
PR	98	Comprehensive Watershed Management Plan for the Mayaguez Bay Area	\$100,000	2004
RI	1-RI	Bailey Brook Watershed Project	\$300,000	2004
RI	2-RI	Pocasset River Watershed Plan	\$200,000	2004
RI	2-RI	Pawcatuck Watershed Conjunctive Use Optimization Model	\$750,000	2004
RI	2-CT	Pawcatuck Watershed Conjunctive Use Optimization Model	\$750,000	2004
SC	5	South Darlington	\$80,000	2004
SC	5	South Darlington	\$80,000	2004
SC	6	East Sumter	\$230,000	2004
SC	5	Latta Watershed	\$10,000	2004
SC	6	Moncks Corner	\$160,000	2004
SD	0	Little White River - River Basin Study	\$25,000	2004
SD	0	Belle Fourche River - River Basin Study	\$71,000	2004
SD	0	North Fork Whetstone River Watershed Plan	\$85,000	2004
SD	0	Cheyenne River Sioux Tribe Gunnery Range	\$50,000	2004

TN	2	Oostanaula Chestuee Watershed Plan EA	\$383,130	2004
TN	2	Oostanaula Chestuee Watershed Plan EA	\$383,130	2004
TN	5	Upper Harpeth River	\$250,000	2004
TN	8	Big Creek (Campbell Co. TN)	\$100,000	2004
TX	11,19,31	Leon River	\$150,000	2004
TX	17	Lake Aquilla	\$15,800	2004
TX	6,17,24	Richland Chambers Reservoir	\$47,000	2004
TX	3 & 4	Lake Lavon	\$23,800	2004
TX	19	Elm Creek (City of Abilene)	\$25,000	2004
UT	2	Ogden Valley Watershed	\$130,000	2004
VA	9	Big Moccasin Creek	\$65,000	2004
VA	9	Upper Reed Creek	\$5,000	2004
VA	9	Elk Creek	\$5,000	2004
VA	6	North Fork Shenandoah River	\$10,000	2004
VA	6	North Fork Shenandoah River	\$10,000	2004
VA	10	North Fork Shenandoah River	\$10,000	2004
VT	0	Urban Conservation Capacity Building For VT Soil Conservation Districts	\$130,000	2004
WA	4	Granger Drain	\$100,000	2004
WA	5	Yellowtail/Mill Creek	\$50,000	2004
WI	3	Twin Parks 15	\$68,400	2004
WV	2	Berkeley County	\$200,000	2004
WV	1	Simpson Creek	\$100,000	2004
WV	3	Whitestick Creek	\$150,000	2004
WV	2	Murphy Run	\$100,000	2004
WV	2	Hardy County	\$100,000	2004
WV	3	Upper Knapps Creek	\$75,000	2004
WV	2	Morgan County Water Resources	\$150,000	2004
WY	0	Middle Fork of the Popo Agie	\$252,015	2004
WY	0	Yoder	\$201,670	2004
WY	0	Metz Ditch Watershed	\$161,670	2004
WY	0	Cheyenne River Watershed	\$132,463	2004
WY	0	Little Snake River Watershed	\$132,463	2004
WY	0	Kaycee Flood Project	\$107,463	2004

3. By Congressional District, what is the backlog of Emergency Watershed Protection projects?

EWP Recovery Projects Unfunded

<i>State</i>	<i>Project Name</i>	<i>Date of EWP Event</i>	<i>FY</i>	<i>Cong Dist</i>	<i>Total</i>
AK					
	Village of Kongiganak-Flood	8/30/2003	03	1	\$3,105,060
	03 Landslide	10/17/2003	04	1	\$466,128
AL					
	Nov 2002 Tornado	11/10/2002	02	4	\$192,000
	2002 Dec. Rainstorm	12/24/2002	02	2	\$346,800
	April 03 Storm	4/1/2003	03	2	\$945,000
	Tropical Storm Bill	6/1/2003	03	2	\$649,000
	July 03 Flooding of Escambia River Mobile County	7/1/2003	03	1	\$300,000
AR					
	Flash Flooding 03	6/11/2003	03	4	\$297,000
AZ					
	Roosevelt Lake Estates	9/9/2003	03	6	\$45,500
CA					
	McArthur Flood	8/4/2003	03	2	\$240,000
CO					
	Overland Fire 03	10/29/2003	03	2	\$81,000
DE					
	Tropical Storm Henri 03	9/15/2003	03	1	\$1,080,000

	FL				
	03 Storm	4/15/2003	03	1	\$900,000
	GA				
	Gilmer County Flood	7/16/2003	03	10	\$600,000
	HI				
	Oahu Storms 03	12/19/2003	03	1	\$330,000
	Oahu Storms of Dec. 03/Jan. 04	1/1/2004	03/	1	\$220,000
	04				
	IL				
	May 03 Storm	5/30/2003	03	12, 18, 19	\$114,000
	IN				
	August Floods	8/3/2003	03	3 & 4	\$1,800,000
	July Floods	7/4/2003	03	1,2,3,4,5,6	\$144,586
	KS				
	May 2003 Tornado	5/1/2003	03	3	\$410,800
	North Central KS Storm 03	6/22/2003	03	1	\$95,400
	North Central KS Storm	6/22/2003	03	1	\$95,400
	June 22-23, 03 Storm	6/22/2003	03	3	\$63,600
	KY				
	August Rainstorm 03	8/22/2003	03	6	\$409,625
	MA				
	August Storms	8/11/2003	03	1	\$224,000
	Worthington Flood	8/1/2003	03	1	\$240,000
	ME				
	Dec. Rains Bethel Flood	12/22/2003	03	1	\$264,000
	August Rains 03	8/9/2003	03	2	\$140,000
	MI				
	Western U.P. Floods 03	5/15/2003	03	1	\$1,803,535
	MO				
	2003 Tornado	5/1/2003	03	1,2,3,4,5,6, 7,8,9	\$184,800

MS					
Nov. 2003 Storm	11/27/2003	03	3, 4	\$144,000	
June 03 Storm	6/15/2003	03	1	\$121,500	
October 26, 2002 storm	10/26/2002	03	3	\$549,600	
October 2002 Storm	10/10/2002	03	1, 2	\$236,400	
June 03 Flooding	6/15/2003	03	2 & 3	\$297,600	
May 03 Flood	5/6/2003	03	1	\$636,000	
May 2003 Flood	5/19/2003	03	1, 2	\$1,185,400	
May 03 Flood	5/6/2003	03	2	\$114,000	
April 6, 2003 Storm	4/6/2003	03	2,3,4	\$1,163,700	
April 2003 Flood	4/6/2003	03	2	\$61,200	
Feb. 03, Flood	2/22/2003	03	3/2	\$641,800	
June 03 Flooding	6/5/2003	03	2	\$134,400	
Aug. 03 Flood	8/6/2003	03	1	\$27,600	
Feb. 03 Storm	2/21/2003	03	3, 1	\$421,200	
June 03 Storm	6/30/2003	03	4	\$1,339,200	
Feb. 04 Flood	2/5/2004	04	1	\$64,800	
NC					
Hurricane Isabel 03	9/25/2003	03	1 & 3	\$4,200,000	
NE					
03 Rain Storm	03	1	\$66,000		
NY					
May 02 Storm	5/13/2002	02	25	\$480,000	
Oct. Storms 03	10/28/2003	03	25	\$120,000	
OH					
Beatty Road 03	9/1/2003	03	3	\$72,000	
Jan. 04 Storm	1/27/2004	04	7	\$20,700	
OK					
Oct. 2002 Flooding	10/2/2002	02	3	\$1,062,000	
May 03 Flood	5/15/2003	03	2, 3	\$367,200	

	May 03 Tornado	5/1/2003	03	2	\$192,000
	August 03 Flooding	8/31/2003	03	3	\$2,041,200
	Nov. 03 Flooding	11/21/2003	03	2	\$154,800
	June 03 Flood	6/25/2003	03	1,3	\$122,400
	MAY 24 2003 Flood	5/24/2003	03	3	\$210,000
	OR				
	Rufus Storm	8/5/2003	03	2	\$150,000
	PA				
	Sep Rains	9/3/2003	03	10	\$1,200,000
	PR				
	Nov. 03 Floods	11/11/2003	03	1	\$1,800,000
	Nov. 03 Floods	11/11/2003	03	1	\$1,200,000
	USVI Nov. 03 Floods	11/11/2003	03	1	\$1,200,000
	SC				
	Anderson Flooding 03	6/19/2003	03	3	\$54,000
	Broad River Floods 03	2/1/2003	03	2	\$336,000
	Barnwell County	2/1/2003	03	5	\$180,000
	TN				
	Oct. to Dec. Storms 03	3/26/2003	03	8	\$4,500
	May 03 Storms	5/1/2003	03	3,4 & 8	\$1,003,200
	May 03 Storms Grp. 2	5/1/2003	03	4,5,6,7, & 8	\$3,954,600
	Feb 2003 Storm	2/14/2003	03	1,3,4,7, & 8	\$1,832,400
	Feb.-May Storms 03	2/16/2003	03	1,3,4,5,6,7, & 8	\$1,601,160
	Aug and Nov Floods	8/31/2003	03 04	1	\$2,093,850
	UT				
	Alpine Debris Flow	12/30/2003	03	3	\$280,000
	August Flood 03	8/1/2003	03	2	\$2,896,000
	VA				

	Nov. 03 Rains	11/19/2003	03	6 & 9	\$128,000
	Hurricane Isabel 03	9/25/2003	03	1,3,4,5,6,& 7	\$2,400,000
	WV				
	Feb 2003 Event	2/1/2003	03	3	\$108,000
	Nov. 03 Floods	11/1/2003	03	3	\$1,350,000
	June 03 Flood	6/1/2003	03	1,2, & 3	\$900,000
	Totals:				\$56,705,644

Backlog of EWP Floodplain Easement Requests		
State	Acres	Sum Of Required Funding
AL	1,200	1,200\$1,682,000
AR	21,097	\$20,348,331
AZ	317	\$990,100
CA	5,902	\$12,860,450
CO	1,456	\$1,192,317
IA	49,500	\$81,275,285
IL	11,449	\$18,882,346
IN	2,046	\$4,520,300
LA	48,060	\$41,187,180
MN	8,197	\$8,997,591
MO	1,395	\$1,796,178
MS	11,256	\$12,381,600
NE	1,201	\$2,500,955
OR	664	\$2,115,423
SD	417	\$320,000
TN	510	\$612,000
WA	1,706	\$4,370,863
Total		\$214,350,919.00

4. Please provide the Subcommittee with a list by Congressional District of currently funded watershed rehabilitation projects that will be terminated if the Administration's FY 2005 budget proposal is enacted. Please indicate which of these projects involve the potential for loss of life should these dams fail.

Response: The listed watershed rehabilitation projects will not be

“terminated,” but instead will be prioritized. Lower priority projects will be funded in future years. Local/private project applications also have the option of rehabilitating their facilities using non-federal sources (such as state, local private) funding.

State	Cong. District	Watershed Name	Dam No.	Population at Risk *
AR	3	Muddy Fork Illinois River	4	150
AR	1	Big Creek(Craighead)	6	32
AR	2	West Fork Point Remove	7	19
AR	4	Poteau River	8	25
AR	4	Poteau River	5	4
AR	3	Muddy Fork of Illinois River	3	23
AZ	2	White Tanks	3	3000
GA	7	Haynes-Brushy Fork	3	320
IA	5	Indian Creek	2	30
MS	4	Second Creek	12	15
MS	4	Second Creek	6A	100
MS	4	Second Creek	6B	90
MS	1	Chiwapea Creek	3	50
MS	1	Chiwapea Creek	29	15
MS	1	Chiwapea Creek	65	10
MT	1	Lower Willow Creek	1	303
ND	1	Tongue Creek	M-4	1750
NE	1	Papillion Creek	S-31	20
NE	1	Papillion Creek	S-32	30
NE	1	Upper Salt Creek	10-A	11
NE	1	Upper Salt	19B	3
NE	1	Wilson Creek	8H	4
NM	2	Hatch Valley – Arroyos	6	261
NM	2	Hatch Valley – Arroyos	5	429
NM	2	Upper Gila Valley – Arroyos	6	35
NM	3	Santa Cruz	1	1075
NM	1	Sandia Mountain	1	1760
NM	2	Caballo – Arroyos	2	193
NY	22	Little Choconut	2	200
NY	29	Newton Hoffman Creek	18	370
NY	29	Newton Hoffman Creek	3A	60
OH	6	West Fork Duck Creek	1	25
OK	3	Barnitz Creek	14	8
OK	3	Barnitz Creek	13	8
OK	3	Cobb Creek	2	9
OK	3	Cobb Creek	1	37
OK	4	Caney Coon Creek	2	29

OK	1	Double Creek	6	74
OK	2	Millcreek	18	22
OK	2	Sallisaw Creek	32	58
OK	2	Sallisaw Creek	33	19
OK	2	Sallisaw Creek	34	10
OK	3	Turkey Creek	9	16
PA	5	North Fork of Cowanesque River	406	300
TX	3	East Fork Above Lavon	3D	35
TX	3	East Fork Above Lavon	3E	8
TX	3	East Fork Above Lavon	5A	62
TX	4	Little Elm	18A	8
TX	28	Martinez	4	1125
TX	17	Salt Creek	2	1
TX	17	Salt Creek	5	8
TX	31	Upper Brushy Creek	13A	492
TX	31	Upper Brushy Creek	7	327
VA	6	South River	26	120
VA	6	South River	23	130
WV	1	Upper Deckers Creek	6	100

* Population at Risk indicates number of people in harms way if the dam should fail.

5. How many USDA assisted watershed dams will reach the end of their design life by the end of 2005?

Response: By the end of 2005, 457 dams will have reached the end of their designed life span.

6. What are the anticipated needs for watershed rehabilitation funds for the next 5 years?

Response: For the period FY 2004 to 2009, we anticipate the following watershed rehabilitation workload:

- *Assessment of the condition of 1500 aging dams*
- *Processing of 880 sponsor applications for federal assistance*
- *Development of 700 rehabilitation plans*
- *Completion of 600 designs*
- *Rehabilitation of 450 dams*

Progress will be made on this work as funding becomes available.

7. Recognizing this backlog of watershed rehabilitation in projects, how does NRCS plan to bridge the gap with such a small funding request?

Response: NRCS will not be able to provide assistance for all local private facility rehabilitation. While the number of NRCS technical experts in the area of planning, design, and construction of dams has decreased over the past several years, the Agency is still an active participant in Federal and State dam safety activities. NRCS may elect to use private technical sources to provide assistance in planning, design, and construction oversight, contingent upon funding. In FY 2003, more than \$8 million was used to hire private consultants for planning and design of watershed rehabilitation projects. Also, project sponsors may elect to complete project planning and design using their own staff or by hiring consultants to complete this work which would be reviewed and concurred in by NRCS. The sponsor's cost for these services would be included in the "total rehabilitation project cost" and would be credited to the 35 percent local cost-share portion. Some watershed project sponsors have elected to arrange for their own technical assistance.

8. Have there been any failures of USDA assisted watershed dams? Are there dams more at risk than others? Examples? What is NRCS doing to lower this risk?

Response: We consider failure to be an "uncontrolled release of stored water." Although there is no complete record of the number of dam failures in USD- assisted projects, using this definition, we estimate that there have been at least 40 to 50 "failures" during the last 50 years. Fortunately, to date, none of these failures have resulted in loss of life. However, some of the failures have resulted in property/infrastructure damage, and harm to the environment.

As the dams age, structural components deteriorate, and more development occurs downstream from the dam. Over time the probability of loss of life and significant property damage increases.

It is difficult to identify the potential for failure of a dam without an assessment of it's condition conducted by technical specialists. Funds have not been appropriated exclusively for conducting assessments. However, approximately 300 assessments have been completed to-date; many of these assessments have resulted in project sponsors submitting an application for federal assistance for rehabilitation of the dam to meet current safety standards. Assessments of dams will continue as funds become available.

9. To what extent is a lack of proper maintenance the reason for needed rehabilitation of watershed dams versus simply age of the structure? Do you have any suggestions of how to encourage better maintenance of these structures?

Response: The statutory authority for watershed rehabilitation authorization specifically prohibits the use of federal funds for rehabilitation of a dam if the need for rehabilitation is the result of a lack of adequate maintenance.

Watershed sponsors are solely responsible for operations and maintenance of watershed dams and will continue to have responsibility for the rehabilitated dams.

Most project sponsors have done a good job of living up to the original operations and maintenance agreement. However, like any man-made constructed product, eventually the structure will deteriorate. The majority of the original agreements were executed for the life span of the project, with many at or nearing the end of that time. The landscape around the projects has changed significantly since the projects were planned and constructed. Rehabilitation involves work beyond operation and maintenance of the dam. Rehabilitation involves upgrading the dam to extend the benefits of the original project another 50 to 100 years.

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DEPARTMENT OF THE ARMY

COMPLETE STATEMENT

OF

THE HONORABLE JOHN PAUL WOODLEY, JR.
ASSISTANT SECRETARY OF THE ARMY (CIVIL WORKS)

BEFORE

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

ON

THE ARMY CIVIL WORKS PROGRAM
FISCAL YEAR 2005

FEBRUARY 26, 2004

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THE ARMY CIVIL WORKS PROGRAM
FISCAL YEAR 2005

Mr. Chairman and distinguished members of the Subcommittee:

Thank you for the opportunity to testify before the Water Resources and Environment Subcommittee of the Transportation and Infrastructure Committee and to present the President's budget for the Civil Works program of the Army Corps of Engineers for Fiscal Year (FY) 2005.

OVERVIEW OF FY 2005 ARMY CIVIL WORKS BUDGET

The FY 2005 budget for Army Civil Works provides funding to continue the development and restoration of the Nation's water and related resources, the operation and maintenance of existing navigation, flood damage reduction, and multiple-purpose projects, the protection of the Nation's regulated waters and wetlands, and the cleanup of sites contaminated as a result of the Nation's early efforts to develop atomic weapons.

The FY 2005 budget for Army Civil Works includes new discretionary funding requiring appropriations of \$4.215 billion and an estimated \$4.132 billion in outlays from discretionary funding (see Table 1). These figures are approximately the same as in the FY 2004 budget.

The new discretionary funding includes \$610 million from the Harbor Maintenance Trust Fund for harbor operation and maintenance and dredged material disposal facility construction. The discretionary funding also includes \$115 million from the Inland Waterways Trust Fund for construction and rehabilitation on the inland waterways.

The budget includes proposed appropriations language for direct funding of hydropower facility operation and maintenance by Federal power marketing administrations. New discretionary funding of \$150 million would be derived from direct funding in FY 2005. This proposal is described in greater detail below.

Other sources of new discretionary funding include \$3.303 billion from the general fund and \$37 million from Special Recreation User Fees.

Additional program funding, over and above funding from the sources requiring discretionary appropriations, is estimated at \$437 million. This total includes \$71 million from the Bonneville Power Administration (BPA) for operation and maintenance of hydropower facilities in the Pacific Northwest, \$287 million contributed by non-Federal interests for their shares of project costs and for project-related work, \$63 million from the Coastal Wetlands Restoration Trust Fund, and \$16 million from miscellaneous permanent appropriations.

The budget proposes cancellation of at least \$100 million of previous discretionary budget authority. Net discretionary budget authority, including this proposal and the direct funding proposal, is \$3.965 billion.

PERFORMANCE-BASED BUDGETING

Performance-based budgeting is one of the President's Management Initiatives, and the one that is most central to the preparation of the budget. For the Army Civil Works program, performance planning is built around eight program areas: Navigation (including inland waterway navigation and coastal channels and harbors); Flood and Storm Damage Reduction (including from riverine flooding and coastal storms); Environment (including aquatic ecosystem restoration, stewardship of natural resources at operating projects, and the Formerly Utilized Sites Remedial Action Program); Hydropower; Recreation; the Regulatory Program, Emergency Management; and Water Supply (storage at existing reservoirs).

The first element in our performance planning is a strategic plan, which is required by the Government Performance and Results Act. We are making good progress on developing a strategic plan, which will be provided shortly to the committees and subcommittees of Congress responsible for water development authorizations and appropriations. This plan sets program goals that provide the basis for setting performance targets and building future budgets.

The second element in our performance planning is the use of a government-wide process to assess program performance, which first was instituted for the FY 2004 budget. These assessments are intended to improve the effectiveness of programs and to improve the quality of their management and oversight. Five business programs, program components, or sets of activities were assessed for the FY 2004 budget: the Hydropower program; the riverine flood damage reduction component; the inland waterway navigation component; the Emergency Management program; and wetlands-

related activities apart from the Regulatory Program. For FY 2005, the Regulatory Program was assessed. Two of the programs – the Regulatory Program and Emergency Management – have been rated as moderately effective and have received substantial funding in the FY 2005 budget.

The third element is to develop the Civil Works budget and manage the program based on objective performance measures. The FY 2005 budget for Army Civil Works focuses funding on the most productive investments. This is reflected, for instance, in the allocation of funding to the most productive design activities, construction projects, and maintenance activities. At the same time, I recognize that we can do a better job of performance-based budgeting, and one of my priorities is to improve our capabilities in this area. I have placed a priority on making significant progress on further development of sound performance measures for each business program and on using the measures to build our FY 2006 budget. A great deal of hard work is in store for us as we transition to this approach, but the advantages are enormous, and the Army is fully committed to this effort.

FOCUS ON HIGH-RETURN NEW INVESTMENTS

The FY 2005 budget for Army Civil Works targets funding to the new investments that have very high economic or environmental returns. The budget does so by emphasizing priority missions and allocating substantial funding to new and continuing high return continuing construction projects while de-emphasizing the design and initiation of new projects. However, the budget funds three new projects that have high economic or environmental returns and several new high priority studies that competed successfully for funding. The budget also discontinues Federal participation in beach renourishment activities, and proposes to cancel unobligated balances for projects that do not provide high returns or that are not Civil Works responsibilities.

Priority Missions

The budget emphasizes ongoing studies, projects and programs that provide substantial benefits in the priority missions of the Civil Works program for new investments, namely, commercial navigation, aquatic ecosystem restoration, and flood and storm damage reduction.

The budget also provides funding for other areas of Corps involvement, including regulatory protection of waters and wetlands, cleanup of sites contaminated by the Nation's early atomic weapons program, and the management of natural resources and provision of hydroelectric power and recreation services at Federally operated Civil Works projects.

No funds are provided for studies and projects that carry out non-traditional missions that should remain the responsibility of non-Federal interests or other Federal agencies, such as wastewater treatment, irrigation water supply, and municipal and industrial water supply treatment and distribution. Furthermore, the budget does not fund

individual studies and projects that are inconsistent with established policies governing the applicable missions.

Ongoing, Budgeted Construction Projects

In recent years, ongoing construction projects that the budget funds have had to compete for funding with numerous new construction starts. To maximize the net returns of the construction program and finish the construction backlog more quickly than under current trends, the budget directs funding to complete 11 ongoing projects in FY 2005, and continues progress on projects consistent with long-established policies, including eight projects that are the highest priorities in the Nation. It also provides substantial funding for dam safety investments. In addition, the budget funds three new projects with high economic and environmental returns.

Altogether, the budget includes funding for construction of 149 projects, not including the projects constructed under the Continuing Authorities Program.

Consistent with this focus on projects already under construction, the budget includes funding to continue or complete design of 23 proposed projects that were selected based on their economic and environmental returns. The budget defers work on all lower priority design efforts. Similarly, we made an effort to prioritize studies of proposed projects. In general, funding is targeted to the most productive study and design activities, including \$8 million for the expanded Louisiana Coastal Area Study. Funding is provided for five new studies that competed successfully with ongoing work.

Beach Renourishment

The budget does not include any funding for beach renourishment. The Administration's view is that non-federal interests should carry out renourishment activities once the initial nourishment has been accomplished, just as they operate and maintain other types of projects once the installation is complete. This policy applies to all types of projects involving beach renourishment, including projects for which Project Cooperation Agreements already have been executed. Work under such agreements is subject to the availability of funding, and the new policy specifies that funding no longer will be sought for renourishment phases.

We will continue to plan for and design shore protection projects, and we will continue to construct initial nourishment phases as well as the structural measures for coastal projects. We also will continue to deposit dredged material from navigation projects on the adjacent shores when it is the least-cost, environmentally acceptable disposal method. In addition, we will participate financially in one-time placements of dredged material for the beneficial use of shore protection, and we will perform follow-on placements for the beneficial use of shore protection if non-Federal interests finance the incremental costs. Within these ground rules, we will continue to participate in regional sediment management activities.

There is one exception to the policy in FY 2005, for the Westhampton Shores, New York, area. We are funding periodic renourishment program as ordered by the district court in the settlement of the case of Rapf et al. vs. Suffolk County of New York et al.

Cancellation of Unobligated Balances

To free up funding for higher priority needs, the budget proposes to cancel the unobligated balances of 41 projects that are not consistent with current policy. The cancellation would take effect with enactment of Fiscal Year 2005 appropriations.

FINANCING AND MANAGEMENT INITIATIVES FOR OPERATING PROJECTS

The Operation and Maintenance program includes funding for four significant initiatives: direct funding of hydropower operation and maintenance costs; recreation modernization; a new emergency maintenance reserve fund; and anti-terror facility protection.

Direct Financing of Hydropower Operation and Maintenance Costs

Historically, each year the Army Civil Works program has financed the operation and maintenance costs of Corps of Engineers hydroelectric facilities, and Federal power marketing agencies have repaid the Treasury for these costs from the revenues provided by ratepayers. The exception has been in the Pacific Northwest, where under section 2406 of the National Energy Policy Act of 1992, Public Law 102-486, the Bonneville Power Administration (BPA) has directly financed the costs of operating and maintaining the Corps' hydroelectric facilities from which it receives power. BPA has been providing operation and maintenance funds in this manner each year, beginning in FY 1999.

Each year, Corps facilities experience unplanned outages around 3 percent of the time. In 1999, the General Accounting Office found that the Corps' hydropower facilities are twice as likely to experience "unplanned outages" as private sector facilities, because the Corps does not always have funds for maintenance and repairs when needed.

To address this problem, the budget proposes that the Southeastern Power Administration, the Southwestern Power Administration, and the Western Area Power Administration finance hydropower operation and maintenance costs directly, in a manner similar to the mechanism used by Bonneville. The budget contemplates that these power marketing administrations, in consultation with the Corps, would make funding available for those hydropower operation and maintenance expenditures that they believe are justified in order to provide economical, reliable hydropower to power customers. We believe that, as a consequence, unplanned outages would decline over time to levels comparable to the industry average. The Administration is submitting this as an appropriations proposal. Under current Congressional Budget Office and Office of Management and Budget scoring, the funds provided by the power marketing

administrations offset appropriated funds without PAYGO consequences, and this Committee does not need to take action on this proposal.

Recreation Modernization

The second initiative is to modernize recreation facilities. The recreation modernization initiative has three components. The first is a legislative proposal that: 1) authorizes the Corps to establish a permanent recreation fee program that is consistent with the existing Federal Recreation User Fee Demonstration program; 2) authorizes the Corps to collect entrance fees; and 3) authorizes the Corps to retain all recreation use fees over \$37 million per year and to use the retained fees for its recreation facilities. To support this proposal, we currently are developing a proposed schedule of recreation use fees, lease receipts, and other sources of revenue, showing the locations where we expect to collect revenue and the kinds and amounts of revenue we expect to collect at each location.

The second is six recreation demonstration projects, at Texoma Lake in Texas, Shelbyville Lake in Illinois, Rathbun Lake in Iowa, W. Kerr Scott Lake in North Carolina, Cumberland Lake in Kentucky, and Beaver Lake in Arkansas. At each location, the Corps will demonstrate new planning, management and financing partnership arrangements with state and local government park authorities and private sector concessionaires. These will be designed to upgrade Corps recreation facilities at little or no cost to the Federal government. If these six demonstration projects are a success, the Corps will expand the model to other Corps facilities in the future.

The third is \$6 million to upgrade Corps recreation facilities related to the Lewis and Clark Bicentennial commemoration.

Emergency Maintenance Reserve

The budget includes \$35 million for an emergency maintenance reserve fund, from which the Assistant Secretary of the Army for Civil Works will make allocations to meet high-priority, unexpected, and urgent maintenance needs at key facilities. When an unexpected emergency occurs under current practice, it is sometimes difficult to find the needed funds on a timely basis. The new arrangement will enable us to respond to these situations promptly, without interfering with other program commitments.

The Assistant Secretary will make the allocation decisions based on the urgency of the maintenance or repair requirements, the relative availability of funding from lower-priority work, and the likelihood that additional high-priority needs would be identified in the remainder of the fiscal year.

Anti-Terrorist Facility Protection

Since the events of September 11, 2001, the Civil Works program has received appropriations of \$278 million to provide facility protection measures that have recurring costs (such as guards), to perform assessments of threats and consequences at critical

facilities, and to design and implement the appropriate "hard" protection at those critical facilities. The Administration is continuing its commitment to facility protection in FY 2005, with a budget of \$84 million for facility protection. Of the \$84 million, \$72 million is for projects funded from the Operation and Maintenance account and \$12 million is for other projects and facilities.

PRESIDENT'S MANAGEMENT AGENDA

We are pleased with the progress we are making on the President's Management Agenda. Like most agencies, we started out in 2002 with "red" ratings across the board. Our status rating for the human capital initiative is now "yellow." We now have "green" or "yellow" progress ratings for all five of the President's Management Agenda initiatives.

The Army Corps of Engineers has developed a sound, comprehensive human capital plan and has implemented its "USACE 2012" plan. The 2012 plan is the Corps guiding document for organizational changes and process changes to improve service delivery.

The Corps continues to be a strong supporter of E-Gov initiatives such as Recreation One-Stop, Geospatial, and Disaster Management. It is aggressively working to improve the overall management of its information technology investments by extensively using the Federal Enterprise Architecture to identify opportunities to identify like systems and identify possible opportunities to collaborate.

The Corps has developed a plan and management infrastructure to conduct competitive sourcing and has completed all preliminary planning steps for its first two standard competitions to be announced in FY 2004.

To identify problems identified in its audits for 2002 and 2003, the Corps is improving documentation to support older assets.

We are confident that our work on the President's initiatives will yield greater program efficiency and effectiveness in the years to come.

APPROPRIATION ACCOUNTS

Although the budget was formulated largely by program area, it is presented to Congress by traditional appropriation account.

General Investigations

The budget for the General Investigations program is \$90.5 million. This funding level reflects an emphasis on completing policy-consistent projects that are already budgeted in the Construction account, rather than continuing to plan, design, and initiate new work.

Within this amount, \$8.6 million is to continue or complete preconstruction engineering and design of the 22 projects with the highest expected economic or environmental returns. The remaining funding will be used to continue the ongoing phases of policy-consistent reconnaissance and feasibility studies, and to continue coordination, technical assistance, and research and development. The budget funds four new studies that competed successfully with ongoing work. These studies are as follows: Southern California Wetlands Restoration, California; Boulder Creek, Colorado; Chesapeake and Delaware Canal Environmental Restoration, Delaware and Maryland; and Mississippi River – Gulf Outlet Ecosystem Restoration, Louisiana.

One of my priorities is to improve analytical tools to support water resource planning and decision-making. The budget addresses this, for instance, by increasing funding for research and development on modeling and forecasting tools, including \$2.5 million for the Navigation Economic Technologies research program funded in this account.

Construction

The FY 2005 budget for the Construction program is \$1.4215 billion. Of that total, \$115 million would be derived from the Inland Waterways Trust Fund to fund 50 percent of the costs of construction and major rehabilitation of inland waterway projects, and \$10 million would be derived from the Harbor Maintenance Trust Fund to fund the Federal share of dredged material disposal facilities at operating coastal harbor projects.

The budget proposes funding for three new starts that have very high economic and environmental returns: the Washington, D.C., and Vicinity flood damage reduction project; the Rio Guanajibo, Puerto Rico, flood damage reduction project; and the Everglades Pilot Projects Program, Florida. The pilot projects program is part of the Comprehensive Everglades Restoration Plan, which in turn is part of the Central and South Florida project.

Substantial funding is provided for the 11 projects completing construction in FY 2005, for dam safety assurance, seepage correction, and static instability correction projects, and for eight high priority projects nation-wide. The high priority projects are the New York and New Jersey Harbor deepening project (\$103 million); the Olmsted Locks and Dam, IL & KY, project (\$75 million); projects to restore the Florida Everglades (\$125 million) and the side channels of the Upper Mississippi River system (\$28 million); two projects to provide flood damage reduction to urban areas, namely, the Sims Bayou, Houston, TX, project (\$16 million) and the West Bank and Vicinity, New Orleans, LA, project (\$37 million); and projects to meet environmental requirements in the Columbia River Basin (\$107 million) and the Missouri River basin (\$69 million). The Everglades work actually is comprised of three distinct projects, as is the Columbia River Basin work.

The budget provides \$52.9 million for the planning, design, and construction of projects under the Continuing Authorities Program. These are small projects for flood damage reduction, navigation, shoreline protection, streambank protection, navigation project

impact mitigation, clearing and snagging, aquatic ecosystem restoration, project modifications for improvement of the environment, and beneficial uses of dredged material (including beneficial uses for environmental purposes as well as beneficial use for coastal storm damage reduction).

Flood Control, Mississippi River and Tributaries

The budget includes \$270 million for the Flood Control, Mississippi River and Tributaries account.

The budget includes funding for preconstruction engineering and design for the Morganza to the Gulf, Louisiana, project. The budget also includes funding for one new study of opportunities for the acquisition of additional real property interests in the Atchafalaya Basin.

Operation and Maintenance

The budget for Operation and Maintenance emphasizes essential operation and maintenance activities at Corps facilities, including maintenance dredging and structural repairs. The overall budget for the Operation and Maintenance account is \$1.926 billion.

The budget continues the past policy of directing funding for navigation maintenance primarily to those harbors and waterways that have high volumes of commercial traffic. For small ports and recreational harbors, the budget funds maintenance work where needed to support significant commercial navigation, commercial or subsistence fishing, or public transportation benefits.

Approximately \$1.103 billion is to fund projects and programs supporting navigation for commercial cargo, commercial or subsistence fishing, and public transportation. Within this amount, the budget provides about \$539 million for deep draft harbors (harbors with authorized depths of greater than 14 feet); \$28 million for shallow draft harbors; \$411 million for inland waterways with commercial traffic of more than one billion ton-miles per year; and \$49 million for waterways with less commercial traffic. An additional \$74 million represents joint use costs at multi-purpose projects that are allocated to navigation.

Approximately \$823 million is for projects and programs other than navigation, including flood damage reduction (\$286 million), recreation (\$253 million), natural resources management (\$92 million), hydroelectric power generation (\$153 million), and emergency management (\$40 million, including the \$35 million emergency maintenance reserve).

Regulatory Program

The recent performance assessment of this program concluded that it is moderately effective overall. The budget provides \$150 million, which is a substantial increase over

the FY 2004 enacted amount and reflects our assessment that this program needs additional funding. The activities funded in the budget include permit evaluation, enforcement, oversight of mitigation efforts, administrative appeals, watershed studies, special area management plans, and environmental impact statements.

One of my priorities for the Civil Works program is to improve the effectiveness of aquatic resource protection and the efficiency of permit reviews and decision-making. The budget will enable us to reduce permit evaluation times, improve protection of aquatic resources, and continue wetlands protection through watershed approaches

Formerly Utilized Sites Remedial Action Program (FUSRAP)

The Formerly Utilized Sites Remedial Action Program (FUSRAP) is an environmental cleanup program for sites contaminated as a result of the Nation's early efforts to develop atomic weapons. Congress transferred the program from the Department of Energy in FY 1998. We are continuing to implement needed cleanups at contaminated sites. This year's budget is \$140 million.

General Expenses

Funding budgeted for the General Expenses program is \$167 million. These funds will be used for executive direction and management activities of the Corps of Engineers headquarters, the Corps division offices, and related support organizations. Within the budgeted amount, \$7 million is to audit the Civil Works financial statements, a function formerly carried out by the Army Audit Agency (AAA) using its own funding. The AAA has done this work in the past, but it is not sufficiently independent of the Corps to conduct this audit under new General Accounting Office auditing standards.

Flood Control and Coastal Emergencies

The Flood Control and Coastal Emergencies account finances response and recovery activities for flood, storm, and hurricane events, as well as preparedness for these natural events and for support to the Federal Emergency Management Agency through the Federal Response Plan.

The recent performance assessment of this program concluded that it is moderately effective overall. Accordingly, the FY 2005 budget includes \$50 million, which is the approximate amount the Corps of Engineers spends on flood and coastal storm emergency preparedness, response, and recovery activities in a typical year. This funding will reduce the likelihood of having to borrow from other accounts or obtain supplemental appropriations.

CONCLUSION

The Army Civil Works budget for FY 2005 will enable us to move ahead with many important investments that will yield enormous returns for the Nation in the future.

Table 1

DEPARTMENT OF THE ARMY
CORPS OF ENGINEERS – CIVIL WORKS
FY 2005 BUDGET

<u>Requested New Appropriations:</u>	
General Investigations	90,500,000
Construction	1,421,500,000
Operation and Maintenance	1,926,000,000
Regulatory Program	150,000,000
Flood Control, Mississippi River and Tributaries	270,000,000
General Expenses	167,000,000
Flood Control and Coastal Emergencies	50,000,000
Formerly Utilized Sites Remedial Action Program	<u>140,000,000</u>
TOTAL	4,215,000,000
<u>Sources of New Appropriations:</u>	
General Fund	3,303,000,000
Harbor Maintenance Trust Fund	610,000,000
(O&M)	(600,000,000)
(Construction -- Disposal Facilities)	(10,000,000)
Inland Waterways Trust Fund	115,000,000
Special Recreation User Fees	37,000,000
Power Marketing Administration Direct Funding	<u>150,000,000</u>
TOTAL	4,215,000,000
<u>Additional New Resources:</u>	
Rivers and Harbors Contributed Funds	287,000,000
Bonneville Power Administration	71,000,000 ^{1/}
Coastal Wetlands Restoration Trust Fund	63,000,000
Permanent Appropriations	<u>16,000,000</u>
TOTAL	437,000,000
<u>Total New Program Funding</u>	4,652,000,000
<u>Proposed Cancellation of Prior-Year Funds</u>	(100,000,000)

^{1/} Beginning in FY 2005, budget authority from BPA is limited to budget authority for joint use costs. Funding for the specific costs of hydropower will be executed in a BPA account and will not count as Corps budget authority. Accordingly, the amount of \$71 million for FY 2005 appears to be a reduction from the total FY 2004 amount of \$143.205 million, but in fact is a slight increase from the corresponding FY 2004 amount of \$69.5 million for joint use costs.

DDA	NAME	REASON FOR LISTING	TYPE OF SIGNED AGRMT	ST	PRIMARY CONG INT	PRIMARY SENATOR INT
	LIST OF ONGOING STUDIES/PROJECTS NOT BUDGETED IN FY 05 OR PROPOSED FOR CANCELLATION					
	PROJECTS RECOMMENDED FOR CANCELLATION					
POD	ALASKA ENVIRONMENTAL INFRASTRUCTURE, AK	CANCELLATION	PED	AK	YOUNG	STEVENS
POD	GALENA EMERGENCY BANK STABILIZATION, AK	CANCELLATION	PCA	AK	YOUNG	STEVENS
POD	HOMER SPIT, AK	CANCELLATION	PCA	AK	YOUNG	STEVENS
POD	KAKE DAM, AK	CANCELLATION	PCA	AK	YOUNG	STEVENS
POD	WRANGELL HARBOR, AK	CANCELLATION	PCA	AK	YOUNG	STEVENS
SAD	ELBA LEVEE REHABILITATION, ELBA, AL	CANCELLATION	PCA	AL	EVERETT	SHELBY
SAD	GENEVA LEVEE REHABILITATION, AL	CANCELLATION	PCA	AL	EVERETT	SHELBY
MVD	GRAND PRAIRIE REGION, AR	CANCELLATION	PCA	AR	BERRY	LINCOLN
POD	HAWAII WATER MANAGEMENT, HI	CANCELLATION	N	HI	CASE	INOUE
POD	HAWAII WATER SYSTEMS TECHNICAL ASSISTANCE, HI	CANCELLATION	N/A	HI	CASE	INOUE
POD	KAUMALAPAU HARBOR, LANAI, HI	CANCELLATION	PCA	HI	CASE	INOUE
LRD	CALUMET REGION, IN	CANCELLATION	PCA	IN	VISCLOSKY	
LRD	LITTLE CALUMET RIVER BASIN, CADDY MARSH DITCH, IN	CANCELLATION	PCA	IN	VISCLOSKY	
LRD	SOUTHERN AND EASTERN KENTUCKY	CANCELLATION	PCA	KY	ROGERS	
LRD	CARR CREEK, KY	CANCELLATION	N	KY	ROGERS	MCCONNELL
LRD	LEVISA AND TUG FORKS AND UPPER CUMBERLAND RIVER, WV, VA & KY	CANCELLATION	PCA	KY-VA	ROGERS & BLOU	BYRD
MVD	YAZOO BASIN - BACKWATER PUMP, MS	CANCELLATION	N/A	MS	WICKER	COCHRAN
MVD	YAZOO BASIN - DELTA HEADWATERS PROJECT, MS (DEC)	CANCELLATION	N/A	MS	WICKER	COCHRAN
MVD	YAZOO BASIN - BIG SUNFLOWER RIVER, MS	CANCELLATION	N/A	MS	THOMPSON	COCHRAN
SAD	JACKSON COUNTY INDUSTRIAL WATER SUPPLY, MS	CANCELLATION	PED	MS	TAYLOR	LOTT
MVD	DEVILS LAKE, ND (FCE)	CANCELLATION	N	ND	POMEROY	CONRAD
MVD	DEVILS LAKE, ND	CANCELLATION	N	ND	POMEROY	CONRAD
NAD	NASHUA, NH (CSO)	CANCELLATION	N	NH	BASS	
NAD	JOSEPH GIMINISH HISTORIC WATERFRONT PARK, NJ	CANCELLATION	PCA	NJ	BIENENDEZ	
LRD	ONDAGA LAKE STORM WATER DISCHARGE, NY	CANCELLATION	PCA	NY	WALSH	SCHUMER
NAD	ATLANTIC COAST OF NYC, ROCKAWAY INLET TO NORTON POINT, NY	CANCELLATION	PCA	NY	NADLER	
NAD	HUDSON RIVER, NY (NEW YORK CITY TO WATERFORD-ATHENS CHANNEL)	CANCELLATION	PCA	NY	NADLER	
LRD	OHIO ENVIRONMENTAL ASSISTANCE1	CANCELLATION	N	OH	HINCHAY	VOINOVICH
LRD	SOUTH CENTRAL PA ENVIRONMENTAL IMPROVEMENT PROGRAM, PA	CANCELLATION	PCA	OH	HOBSON	
LRD	WEST VIRGINIA AND PENNSYLVANIA FLOOD CONTROL, PA & WV	CANCELLATION	PCA	PA	MURTHA	
NAD	LACKAWANNA RIVER, SCRANTON, PA	CANCELLATION	PED	PA	MURTHA	
NAD	SOUTH CENTRAL PA ENVIRONMENTAL IMPROVEMENT, PA	CANCELLATION	PCA	PA	SHERWOOD	
NAD	SOUTH CENTRAL PA ENVIRONMENTAL IMPROVEMENT, PA	CANCELLATION	PCA	PA	SHERWOOD	
SAD	LAKES MARION AND MOULTRIE, SC	CANCELLATION	PCA	PA	SHUSTER	KANJORSKI
LRD	BLACK FOX, MURFREE AND OAKLANDS SPRINGS WETLANDS, TN	CANCELLATION	PCA - 04	SC	CLYBURN	
LRD	CUMBERLAND COUNTY WATER SUPPLY, TN	CANCELLATION	PCA	TN	GORDON	
LRD	RED RIVER BELOW DENISON DAM, AR, LA & TX (BOWIE CO LEVEE)	CANCELLATION	PCA	TN	DAVIS	FRIST
SWID	RED RIVER BELOW DENISON DAM, AR, LA & TX (BOWIE CO LEVEE)	CANCELLATION	N	TX	SANDBLIN	

LIST OF ONGOING STUDIES/PROJECTS NOT BUDGETED IN FY 05 OR PROPOSED FOR CANCELLATION		FSCA, PED, PCA, MOU, MOA, Other		PRIMARY CONG INT	PRIMARY SENATOR INT
DDA	NAME	REASON FOR LISTING	TYPE OF SIGNED AGRMNT	ST	
SAD	LITTLE TALBOT ISLAND, FL	PRECONSTR ENG DESIGN	N	FL	CAIL SAD
SAD	ST PETERSBURG HARBOR, FL	PRECONSTR ENG DESIGN	PCA	FL	YOUNG
FOD	WAUKI EROSION CONTROL, HI	PRECONSTR ENG DESIGN	N	HI	ABERGROMBIE
FOD	WAILUPE STREAM FLOOD CONTROL STUDY, OAHU, HI	PRECONSTR ENG DESIGN	PED	HI	ABERGROMBIE
WVD	UPPER MISS & ILLINOIS NAV IMPROVEMENTS, IL, IA, MN, MO & WI	PRECONSTR ENG DESIGN	N/A	IA	BOSWELL
WVD	ST LOUIS HARBOR, MO & IL	PRECONSTR ENG DESIGN	N/A	IL	COSTELLO
LRD	WAUKEGAN HARBOR, IL	PRECONSTR ENG DESIGN	N	IL	KIRK
LRD	CITY OF INDIANAPOLIS, IN	PRECONSTR ENG DESIGN	PED	IN	CARSON
LRD	LOUISVILLE WATERFRONT PARK, KY	PRECONSTR ENG DESIGN	PED	KY	NORTHUP
WVD	BARATARIA BASIN BARRIER SHORELINE RESTORATION, LA	PRECONSTR ENG DESIGN	LCA	LA	VITTER
WVD	BARATARIA BASIN MARSH CREATION AND RESTORATION, LA	PRECONSTR ENG DESIGN	LCA	LA	VITTER
WVD	JEFFERSON PARISH, LA	PRECONSTR ENG DESIGN	N	LA	VITTER
WVD	ORLEANS PARISH, LA	PRECONSTR ENG DESIGN	N	LA	VITTER
WVD	WEST SHORE LAKE PONTCHARTRAIN, LA	PRECONSTR ENG DESIGN	N	LA	VITTER
NAD	BALTIMORE METRO, GWYNNNS FALLS, MD	PRECONSTR ENG DESIGN	PED 04	MD	GILCHRIST
LRD	DETROIT RIVER SEAWALLS	PRECONSTR ENG DESIGN	FCSA	MI	KILPATRICK
WVD	CHESTERFIELD, MO	PRECONSTR ENG DESIGN	04 COMP	MO	AKIN
WVD	RIVER DES PERES, MO	PRECONSTR ENG DESIGN	PED 04	MO	CLAY
WVD	SWOPE PARK INDUSTRIAL AREA, KANSAS CITY, MO	PRECONSTR ENG DESIGN	PED	MO	MCCARTHY
NAD	BARNEGAT BAY, NJ	PRECONSTR ENG DESIGN	N	NJ	SAXTON
NAD	HACKENSACK MEADOWLANDS NJ	PRECONSTR ENG DESIGN	PED	NJ	PASCARELL
NAD	MANASQUAN INLET TO BARNEGAT INLET, NJ	PRECONSTR ENG DESIGN	PED - 04	NJ	SAXTON
NAD	NEW JERSEY INTRACOASTAL WATERWAY, ENV RESTORATION, NJ	PRECONSTR ENG DESIGN	PED - 04	NJ	LOBIONDO
NAD	PORTTAN BAY AND SANDY HOOK BAY, PORT MONMOUTH, NJ	PRECONSTR ENG DESIGN	PED - 04	NJ	FALLONE
NAD	PORTTAN BAY AND SANDY HOOK BAY, UNION BEACH, NJ	PRECONSTR ENG DESIGN	PED - 04	NJ	FALLONE
SPD	SW VALLEY FLOOD DAMAGE REDUCTION STUDY, ALBUQUERQUE, NM	PRECONSTR ENG DESIGN	PED	NM	WILSON
NAD	FLUSHING BAY, NY	PRECONSTR ENG DESIGN	N	NY	CROWLEY
NAD	NEW YORK HARBOR ANCHORAGE AREAS, NY	PRECONSTR ENG DESIGN	N	NY	NADLER
NAD	SOUTH SHORE OF STATEN ISLAND, NY	PRECONSTR ENG DESIGN	N	NY	FOSSELLA
LRD	OHIO RIVERFRONT, CINCINNATI, OH	PRECONSTR ENG DESIGN	PED	OH	CHABOT
LRD	OTTAWA RIVER HARBOR, OH	PRECONSTR ENG DESIGN	N	OH	HART
LRD	MAHONING RIVER ENVIRONMENTAL, OH	PRECONSTR ENG DESIGN	PED	PA	HART
SAD	CANO MARTIN PENA, SAN JUAN, PR	PRECONSTR ENG DESIGN	N	PR	ACEVEDO-VILA
SAD	PAWLEYS ISLAND, SC	PRECONSTR ENG DESIGN	PED - 04	SC	BROWN
WVD	WATERTOWN AND VICINITY, SD	PRECONSTR ENG DESIGN	N/A	SD	JANKLOW
SWD	BUFFALO BAYOU AND TRIBUTARIES, TX (MAIN STEM)	PRECONSTR ENG DESIGN	N	TX	CULBERSON
SWD	COLONIAS-LWR RIO GRANDE BASIN ALONG TX & MEXICO BORDERS, TX	DESIGN	N	TX	HINOJOSA
SWD	GIWW, HIGH ISLAND TO BRAZOS RIVER, TX	PRECONSTR ENG DESIGN	N	TX	LAMPSON
SWD	GIWW, MATAGORDA BAY, TX	PRECONSTR ENG DESIGN	N	TX	PAUL

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LIST OF ONGOING STUDIES/PROJECTS NOT BUDGETED IN FY 05 OR PROPOSED FOR CANCELLATION		REASON FOR LISTING	TYPE OF SIGNED AGRMNT	ST	PRIMARY CONG INT	PRIMARY SENATOR INT.
DDA	NAME					
	SWD RIVERSIDE OXBOW, UPPER TRINITY BASIN, FT WORTH, TX	PRECONSTR ENG DESIGN	DESIGN	TX	GRANGER	FROST
	SWD SOUTH MAIN CHANNEL, TX	PRECONSTR ENG DESIGN	N	TX	HINOJOSA	ORTIZ
	NAD JAWWY BRIDGES AT DEEP CREEK, VA	PRECONSTR ENG DESIGN	PED	VA	FORBES	FORBES
	NAD ELIZABETH RIVER, HAMPTON ROADS, VA	PRECONSTR ENG DESIGN	PED - 04	VA	SCHROCK	SCOTT
	NAD JAMES RIVER CHANNEL, VA	PRECONSTR ENG DESIGN	PCA - 04	VA	DAVIS	
	NAD JAMES RIVER, VA	PRECONSTR ENG DESIGN	PED	VA	GOODLATTE	
	NAD LYNCHBURG, VA (COMBINED SEWER OVERFLOW)	PRECONSTR ENG DESIGN	PED	VA	GOODLATTE	
	NAD RICHMOND, VA (COMBINED SEWER OVERFLOW)	PRECONSTR ENG DESIGN	N	VA	GOODLATTE	
	SAD CROWN BAY CHANNEL, VI	PRECONSTR ENG DESIGN	N	VI	CHRISTENSEN	
	NAD LAKE CHAMPLAIN WATERSHED INITIATE, VT	PRECONSTR ENG DESIGN	PCA - 04	VT		JEFFORDS
	NWD CENTRALIA, WA	PRECONSTR ENG DESIGN	N/A	WA	BAIRD	MURRAY
	NWD STILLAGUAMISH RIVER BASIN, WA	PRECONSTR ENG DESIGN	PED	WA	LARSEN	MURRAY
	FEASIBILITY STUDIES TO BE SUSPENDED					
	SPD COAST OF CALIFORNIA SOUTH COAST REGION, LA COUNTY, CA	FEASIBILITY STUDIES	FCSA	AK	WAXMAN	
	POD MATANUSKA EROSION CONTROL, AK	FEASIBILITY STUDIES	N	AK	YOUNG	STEVENS
	POD VALDEZ HARBOR EXPANSION, AK	FEASIBILITY STUDIES	FCSA	AK	YOUNG	STEVENS
	SAD BREWTON AND EAST BREWTON, AL	FEASIBILITY STUDIES	FCSA	AL	BONNER	
	SAD CABAHA RIVER WATERSHED, AL	FEASIBILITY STUDIES	FCSA - 04	AL	BACHUS	
	SAD VILLAGE CREEK, JEFFERSON COUNTY (BIRMINGHAM WATERSHED), AL	FEASIBILITY STUDIES	FCSA	AL	BACHUS	
	SWD MAY BRANCH, FORT SMITH, AR	FEASIBILITY STUDIES	FCSA	AR	BOOZMAN	
	SWD MOUNTAIN FORK RIVER WATERSHED, OK & AR	FEASIBILITY STUDIES	N	AR	ROSS	CARSON
	SWD MOUNTAIN FORK RIVER WATERSHED, OKLAHOMA AND ARKANSAS	FEASIBILITY STUDIES	FCSA 04	AR	ROSS	CARSON
	POD TUTUILA HARBOR, AS	FEASIBILITY STUDIES	FCSA	AS	FALEOMAVAEGA	
	SPD AGUA FRIA, MAINSTEM, AZ	FEASIBILITY STUDIES	FCSA	AZ	FRANKS	
	SPD GILA RIVER AND TRIBUTARIES, TONTO CREEK, AZ	FEASIBILITY STUDIES	N/A	AZ	RENZI	HAYWORTH
	SPD RIO SALADO OESTE, SALT RIVER, AZ	FEASIBILITY STUDIES	FCSA	AZ	RENZI	PASTOR
	SPD ARROYO SECO WATERSHED, CA	FEASIBILITY STUDIES	FCSA	CA	SCHIFF	
	SPD BALLONA CREEK ECOSYSTEM RESTORATION, CA	FEASIBILITY STUDIES	FCSA	CA	HARMAN	
	SPD BOLINAS LAGOON ECOSYSTEM RESTORATION, CA	FEASIBILITY STUDIES	FCSA	CA	WOOLSEY	BOXER
	SPD CITY OF SANTA CLARITA, CA	FEASIBILITY STUDIES	FCSA	CA	MCKEON	
	SPD CITY OF SANTA CLARITA, CA	FEASIBILITY STUDIES	FCSA	CA	MCKEON	
	SPD LA RIVER WATERCOURSE, HEADWORKS AREA, CA	FEASIBILITY STUDIES	FCSA	CA	SCHIFF	
	SPD LA RIVER WATERCOURSE, SAN JOSE CREEK, CA	FEASIBILITY STUDIES	N	CA	NAPOLITANO	MILLER
	SPD LAKE ELSINORE ENVIRONMENTAL RESTORATION, CA	FEASIBILITY STUDIES	FCSA	CA	ISSA	
	SPD MALIBU CREEK WATERSHED, CA	FEASIBILITY STUDIES	FCSA	CA	GALLEGLY	WAXMAN
	SPD MORRO BAY ESTUARY, CA	FEASIBILITY STUDIES	FCSA	CA	CAPPS	
	SPD N CA STREAMS, LOWER SACRAMENTO RVR RIPARIAN REVEGETATION, CA	FEASIBILITY STUDIES	FCSA	CA	OSE	

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DDA	NAME				FCSA, PED, PCA, MOU, MOA, Other	
SPD	NAPA RIVER, SALT MARSH RESTORATION, CA	FEASIBILITY STUDIES	FCSA	CA	THOMPSON	
SPD	NEWPORT BAY/SAN DIEGO CREEK WATERSHED, CA	FEASIBILITY STUDIES	FCSA	CA	COX	
SPD	ORANGE COUNTY SHORELINE LOWER SANTA ANA RIVER WATERSHED, CA	FEASIBILITY STUDIES	FCSA	CA	ROHRBACHER	COX
SPD	ORANGE COUNTY, SANTA ANA RIVER BASIN, CA	FEASIBILITY STUDIES	FCSA	CA	ROYCE	MILLER
SPD	PALJARO RIVER BASIN STUDY, CA	FEASIBILITY STUDIES	FCSA	CA	FARR	BOXER
SPD	PALJARO BASIN ENVIRONMENTAL RESTORATION, CA	FEASIBILITY STUDIES	FCSA	CA	MILLER	
SPD	SAN DIEGO CO SHORELINE	FEASIBILITY STUDIES	N	CA	CALVERT	COX
SPD	SAN JACINTO RIVER, CA	FEASIBILITY STUDIES	N	CA	LEWIS	BONO
SPD	SAN JOAQUIN RB W/ STANISLAUS DEL PUERTO I SALADO CREEKS, CA	FEASIBILITY STUDIES	N	CA	CARDOZA	
SPD	SAN JOAQUIN RIVER BASIN, COSUMNES & MCKELUMINE RIVERS, CA	FEASIBILITY STUDIES	N	CA	OSE	DOOLITTLE
SPD	SOLANA BEACH, CA	FEASIBILITY STUDIES	FCSA	CA	CUNNINGHAM	BOXER
SPD	STRONG AND CHICKEN RANCH SLOUGHS, CA	FEASIBILITY STUDIES	FCSA	CA	NATSUJI	
SPD	TAHOE BASIN, CA & NV	FEASIBILITY STUDIES	N/A	CA	DOOLITTLE	REID
SPD	TIJUANA RIVER VALLEY, CA	FEASIBILITY STUDIES	N	CA	FILNER	
SPD	UPPER SANTA ANA RIVER WATERSHED, CA	FEASIBILITY STUDIES	FCSA	CA	MILLER	CALVERT
SPD	VENTURA AND SANTA BARBARA COUNTY SHORELINE, CA	FEASIBILITY STUDIES	FCSA	CA	CAPPS	
SPD	VENTURA HARBOR SAND BYPASS, CA	FEASIBILITY STUDIES	FCSA	CA	CAPPS	HARMAN
SPD	FOUNTAIN CREEK AND TRIBUTARIES, CO	FEASIBILITY STUDIES	FCSA	CO	HEFLEY	
NAD	ANACOSTIA RIVER AND TRIBUTARIES, PG COUNTY LEVEE, MD & DC	FEASIBILITY STUDIES	FCSA	DC	NORTON	WYNN
NAD	CHRISTINA RIVER WATERSHED, PA, DE & MD	FEASIBILITY STUDIES	FCSA - 04	DE	CASTLE	GILCHREST
NAD	DELAWARE RIVER BASIN COMPREHENSIVE, NJ, NY, DE & PA	FEASIBILITY STUDIES	N	DE	CASTLE	ANDREWS
NAD	EASTERN SHORE, MID CHESAPEAKE BAY ISLAND, MD	FEASIBILITY STUDIES	FCSA	DE	CASTLE	GILCHREST
SAD	EGMONT KEY SHORELINE, FL	FEASIBILITY STUDIES	N	FL	YOUNG	
SAD	FLORIDA KEYS WATER QUALITY IMPROVEMENTS, FL	FEASIBILITY STUDIES	FCSA - 04	FL	ROS-LEHTINEN	
SAD	LIDO KEY BEACH, FL	FEASIBILITY STUDIES	FCSA	FL	HARRIS	
SAD	PORT EVERGLADES HARBOR, FL	FEASIBILITY STUDIES	FCSA	FL	SHAW	
SAD	WALTON COUNTY FL	FEASIBILITY STUDIES	FCSA	FL	MILLER	
SAD	ARABIA MOUNTAIN, GA	FEASIBILITY STUDIES	N	GA	MALETTE	
SAD	AUGUSTA, GA	FEASIBILITY STUDIES	FCSA	GA	BURNS	
SAD	INDIAN, SUGAR, INTRENCHMENT & FEDERAL PRISON CREEKS	FEASIBILITY STUDIES	FCSA	GA	LEWIS	
SAD	LONG ISLAND, MARSH & JONES CREEKS	FEASIBILITY STUDIES	FCSA	GA	LEWIS	
SAD	LOTY, SANDY & PROCTOR CREEKS, GA	FEASIBILITY STUDIES	FCSA	GA	LEWIS	
WVD	UPPER MISS & ILLINOIS NAV STUDY, IL, IA, MN, MO & WI	FEASIBILITY STUDIES	FCSA - 04	GA	LEWIS	
WVD	ILLINOIS RIVER AT BEARDSTOWN, IL	FULL FEDERALIA	BUDGETED	IL	BOSWELL	LEACH
RD	JOHN GLENN GR LAKES BASIN STRAT PLAN, IL, IN, MI, MN, NY, OH, PA&WI	FEASIBILITY STUDIES	N	IL	LAHOOD	DURBIN
RD	GREAT LAKES BIOHYDROCAL	FEASIBILITY STUDIES	N	IN	VISCLOSKEY	VOINOVICH
RD	GREAT LAKES FISHERY AND ECOSYSTEM RESTORATION	FEASIBILITY STUDIES	N	IN	VISCLOSKEY	VOINOVICH
RD	GREAT LAKES REC	FEASIBILITY STUDIES	N	IN	VISCLOSKEY	VOINOVICH
SWD	GRAND (NEOSHO) RIVER BASIN WATERSHED, OK, KS, MO & AR	FEASIBILITY STUDIES	N	KS	RYUN	CARSON

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LIST OF ONGOING STUDIES/PROJECTS NOT BUDGETED IN FY 05 OR PROPOSED FOR CANCELLATION		REASON FOR LISTING	FSCA, PED, PCA, MOU, MOA, Other		PRIMARY CONG INT	PRIMARY SENATOR INT
DDA	NAME		TYPE OF SIGNED AGRMNT	ST		
SWD	GRAND (NEOSHO) RIVER BASIN WATERSHED, OK, KS, MO & AR	FEASIBILITY STUDIES	FCSA - 04	KS	RYUN	CARSON
LRD	DEWEY LAKE WATER SUPPLY, KY	FEASIBILITY STUDIES	FCSA	KY	ROGERS	MCCONNELL
LRD	METROPOLITAN LOUISVILLE, JEFFERSON COUNTY, KY	FEASIBILITY STUDIES	FCSA	KY	NORTHUP	BREAUX
NAD	GWAV ECOSYSTEM RESTORATION, LA	FEASIBILITY STUDIES	N	LA	VITTER	LANDRIEU
NAD	HURRICANE PROTECTION, LA	FEASIBILITY STUDIES	N	LA	VITTER	LANDRIEU
NAD	ST. JOHN THE BAPTIST PARISH, LA	FEASIBILITY STUDIES	N	LA	TALZIN	LANDRIEU
NAD	WEST BATON ROUGE PARISH, LA	FEASIBILITY STUDIES	FCSA - 04	LA	BAKER	MARKY
NAD	COASTAL MASSACHUSETTS ECOSYSTEM RESTORATION	FEASIBILITY STUDIES	FCSA - 04	MA	TIERNAY	
NAD	CHES BAY SHORELINE-SEDI BUDG. MODEL & REG SED. MGT. MD, PA, VA	FEASIBILITY STUDIES	FCSA	MD	GILCHRIST	
LRD	LOWER POTOMAC ESTUARY WATERSHED, ST. MARY'S WATERSHED, MD	FEASIBILITY STUDIES	FCSA	MD	POTER	LEVIN
LRD	DETROIT RIVER MASTER PLAN, MI	FEASIBILITY STUDIES	FCSA	MI	KILPATRICK	BONO
SAD	SPRINGFIELD, MO	FEASIBILITY STUDIES	FCSA	MO	BLUNT	
SAD	HANCOCK COUNTY SEAWALL RESTORATION, MS	FEASIBILITY STUDIES	FCSA	MS	TAYLOR	DOLE
SAD	BOGUE BANKS, NC	FEASIBILITY STUDIES	FCSA	NC	JONES	
SAD	CURRITUCK SOUND, NC	FEASIBILITY STUDIES	FCSA	NC	JONES	SCHROCK
NAD	DISMAL SWAMP AND DISMAL SWAMP CANAL, VA	FEASIBILITY STUDIES	FCSA	NC	JONES	
SAD	JOHN H KERR DAM AND RESERVOIR, VA & NC (SECTION 216)	FEASIBILITY STUDIES	FCSA	NC	BALLANCE	
SAD	SURF CITY AND NORTH TOPSAIL BEACH, NC	FEASIBILITY STUDIES	FCSA	NC	JONES	
NAD	CONNECTICUT RIVER ECOSYSTEM RESTORATION, NH & VT	FEASIBILITY STUDIES	N	NH	BRADLEY	SANDERS
NAD	MID DELAWARE RIVER BASIN COMPREHENSIVE STUDY NJ & PA	FEASIBILITY STUDIES	N	NJ	FRELINGHUYSEN	GREENWOOD
NAD	PASSAIC RIVER ENVIRONMENTAL RESTORATION, NJ	FEASIBILITY STUDIES	N	NJ	MENENDEZ	
NAD	UPPER ROCKAWAY RIVER, NJ	FEASIBILITY STUDIES	FCSA	NJ	FRELINGHUYSEN	
SPD	EAST MESA LAS CRUCES, NM	FEASIBILITY STUDIES	FCSA	NM	PEARCE	
SPD	MIDDLE RIO GRANDE BOSQUE, NM	FEASIBILITY STUDIES	FCSA	NM	WILSON	DOMENICI
SPD	LOWER LAS VEGAS WASH WETLANDS, NV	FEASIBILITY STUDIES	FCSA	NM	UDALL	DOMENICI
SPD	TECHNICAL ASSISTANCE FOR TAHOE REGIONAL PLANNING, NV	FEASIBILITY STUDIES	FCSA	NV	BERKLEY	GIBBONS
SPD	WALKER RIVER BASIN, NV	FEASIBILITY STUDIES	N	NV	GIBBONS	REID
NAD	EAST RIVER SEAWALL, QUEENS COUNTY, NY	FEASIBILITY STUDIES	N	NV	GIBBONS	REID
NAD	FREEPORT CREEK, VILLAGE OF FREEPORT, NY	FEASIBILITY STUDIES	N	NY	VELAZQUEZ	
NAD	JAMAICA BAY, MARINE PARK AND PLUMB BEACH, NY	FEASIBILITY STUDIES	FCSA	NY	KING	MCCARTHY
NAD	SAW MILL RIVER AND TRIBUTARIES, NY	FEASIBILITY STUDIES	FCSA	NY	KELLY	HINCHEY
NAD	SOUTH SHORE OF STATEN ISLAND, NY	FEASIBILITY STUDIES	FCSA	NY	MEERS	TOWNS
NAD	SUSQUEHANNA R BASIN ENV RESTORATION & LOW FLOW MGMT PLAN, PA	FEASIBILITY STUDIES	FCSA	NY	LOWEY	
NAD	UPPER DELAWARE RIVER WATERSHED, NY	FEASIBILITY STUDIES	N	NY	FOSSSELLA	GERLACH
NAD	UPPER SUSQUEHANNA RIVER BASIN ENVIRON. RESTORATION, NY & PA	FEASIBILITY STUDIES	N	NY	MCHUGH	REYNOLDS
NAD	UPPER SUSQUEHANNA RIVER BASIN, PA	FEASIBILITY STUDIES	FCSA	NY	BOEHLERT	SHERWOOD
LRD	COLUMBUS METRO, LOWER BIG DARB, OH	FEASIBILITY STUDIES	FCSA	OH	PRYCE	SHERWOOD

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DDA	NAME	TYPE OF AGRMNT	ST	
	REASON FOR LISTING			
LRD	DUCK CREEK WASHINGTON, NOBLE, GUERNSEY & MONROE COUNTIES	FCSA	OH	NEY
LRD	HOCKING RIVER MONDAY CREEK FEASIBILITY STUDY, OH	PED	OH	NEY
LRD	MUSKINGUM BASIN, DILLON LAKE, OH	FCSA	OH	NEY
LRD	WHEELING CREEK, OH WATERSHED ECOSYSTEM RESTORATION	FCSA	OH	STRICKLAND
SWD	GRAND LAKE COMPREHENSIVE STUDY, OK	N	OK	CARSON
SWD	SOUTHEAST OKLAHOMA WATER RESOURCE STUDY, OK	FCSA	OK	CARSON
SWD	SPAVINAW CREEK WATERSHED, OKLAHOMA AND ARKANSAS	FCSA	OK	SULLIVAN
SWD	WASHITA RIVER BASIN, OK	FCSA	OK	CARSON
SWD	WISTER LAKE WATERSHED, OK	FCSA	OK	COLE
NAD	BLOOMSBURG, PA	FCSA	PA	CARSON
NAD	SCHUYLKILL RIVER BASIN ESTUARINE, PA	FCSA - 04	PA	KANJORSKI
NAD	SCHUYLKILL RIVER BASIN, WISSAHICKON CREEK BASIN, PA	FCSA - 04	PA	BRADY
SAD	REEDY RIVER, SC	FCSA - 04	SC	DEMINT
LRD	MILL CREEK WATERSHED, DAVIDSON COUNTY, TN	FCSA	TN	COOPER
SWD	ABILENE, TX (BRAZOS RIVER BASIN)	FCSA	TX	STENHOLM
SWD	GWV VICINITY OF PORT ISABEL, TX	N/A	TX	ORTIZ
SWD	LOWER SABINE RIVER, TX	FCSA - 04	TX	LAMPSON
SPD	NORTHWEST EL PASO, TX subcode added by cesw-ba	FCSA	TX	REYES
SWD	RIO GRANDE BASIN, TX	FCSA - 04	TX	HINOJOSA
SPD	SPARKS ARROYO COLONIA, EL PASO COUNTY, TX	FCSA	TX	REYES
SWD	SULPHUR RIVER ENVIRONMENTAL RESTORATION, TX	FCSA	TX	SANDLIN
SPD	PROJO AND VICINITY, UTAH	N	UT	MATHESON
NAD	FOURMILE RUN, VA	FCSA	VA	MORAN
LRD	NEW RIVER BASIN, CLAYTOR LAKE, VA	FCSA	VA	BOUCHER
NAD	INORFOLK HARBOR AND CHANNELS, CRANEY ISLAND, VA	FCSA	VA	DAVIS
LRD	POWELL RIVER WATERSHED, VA	FCSA	VA	BOUCHER
LRD	FOX RIVER, WI	FCSA	WI	GREEN
LRD	LITTLE KANAWHA RIVER, WV	FCSA	WV	CAPITO
LRD	SOUTH CHARLESTON PORT, WV	FCSA	WV	CAPITO
RECONNAISSANCE STUDIES TO BE SUSPENDED				
POD	ADAK, AK	N	AK	YOUNG
POD	ANCHORAGE HARBOR DEEPENING, AK	FCSA - 04	AK	YOUNG
POD	COFFMAN COVE, AK	N	AK	YOUNG
POD	EKLITNA WATERSHED, AK	FCSA - 04	AK	YOUNG
POD	HOMER HARBOR MODIFICATION, AK	FCSA - 04	AK	YOUNG
POD	KAKTOVIK, AK	FCSA - 04	AK	YOUNG
POD	KETCHIKAN HARBOR, AK	FCSA - 04	AK	YOUNG

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DDA	NAME		TYPE OF SIGNED AGRMNT	ST	
POD	KLAWOCK HARBOR, AK	RECONNAISSANCE STUDY	N	AK	STEVENS
POD	KNIK BRIDGE CROSSING	RECONNAISSANCE STUDY	N	AK	STEVENS
POD	MCGRATH, AK	RECONNAISSANCE STUDY	N	AK	STEVENS
POD	YAKUTAI, AK	RECONNAISSANCE STUDY	N	AK	STEVENS
MVD	HOT SPRINGS CREEK STUDY, AR	RECONNAISSANCE STUDY	N	AR	LINCOLN
SWD	WHITE RIVER MINIMUM FLOWS, AR	RECONNAISSANCE STUDY	N	AR	BERRY
SPD	MAVAJO NATION, AZ, NM, UT	RECONNAISSANCE STUDY	N	AZ	RENZI
SPD	BALLONA CREEK ECOSYSTEM RESTORATION, CA	RECONNAISSANCE STUDY	FCSA	CA	HARMAN
SPD	CITY OF INGLEWOOD	RECONNAISSANCE STUDY	PIED	CA	CALVERT
SPD	CITY OF NORWALK, CA	RECONNAISSANCE STUDY	PIED	CA	CALVERT
SPD	CITY OF SAN BERNARDINO, CA	RECONNAISSANCE STUDY	PIED	CA	NAPOLETANO
SPD	CITY OF SANTA CLARITA, CA	RECONNAISSANCE STUDY	FCSA	CA	LEWIS
SPD	DESERT HOT SPRINGS, CA	RECONNAISSANCE STUDY	PIED	CA	MCKEON
SPD	HUMBOLDT BAY LONG TERM SHOAL MGMT	RECONNAISSANCE STUDY	N	CA	LEWIS
SPD	LA RIVER WATERCOURSE, HEADWORKS AREA, CA	RECONNAISSANCE STUDY	FCSA	CA	THOMPSON
SPD	ORANGE COUNTY SPECIAL MANAGEMENT PLAN, CA	RECONNAISSANCE STUDY	MOA	CA	SCHIFF
SPD	ORANGE COUNTY SANTA ANA RIVER BASIN, CA	RECONNAISSANCE STUDY	MOA	CA	CALVERT
SPD	RIVERSIDE COUNTY SPECIAL AREA MANAGEMENT PLAN, CALIFORNIA	RECONNAISSANCE STUDY	MOA	CA	ROYCE
SPD	SAN DIEGO NORTH COUNTY SPECIAL AREA MANAGEMENT PLAN, CA	RECONNAISSANCE STUDY	MOA	CA	CALVERT
SPD	SAN FRANCISCO CREEK, CA	RECONNAISSANCE STUDY	MOA	CA	ISSA
SPD	SAN JUAN CREEK, SOUTH ORANGE COUNTY, CA	RECONNAISSANCE STUDY	N	CA	LANTOS
SPD	SANTA CLARA RIVER, CITY OF SANTA CLARITA, CA	RECONNAISSANCE STUDY	FCSA	CA	CALVERT
SPD	SOUTH SAN FRANCISCO SHORELINE, CA	RECONNAISSANCE STUDY	N	CA	CAPP
SPD	TJUNGA WASH RESTORATION, CA	RECONNAISSANCE STUDY	FCSA	CA	LOFGREN
SAD	BISCAYNE BAY, FL	RECONNAISSANCE STUDY	FCSA	FL	BERMAN
SAD	DAYTONA BEACH SHORES, FL	RECONNAISSANCE STUDY	FCSA	FL	ROSLER
SAD	FLAGLER COUNTY, FL	RECONNAISSANCE STUDY	FCSA	FL	FEENT
SAD	ST. JOHN'S COUNTY, FLA	RECONNAISSANCE STUDY	FCSA	FL	MICA
SAD	ST. LUCIE COUNTY BEACHES, FL	RECONNAISSANCE STUDY	FCSA	FL	POLEY
SAD	SAVANNAH ESTUARY AND FRESHWATER WETLANDS, GA & SC	RECONNAISSANCE STUDY	N	GA	KINGSTON
SAD	SAVANNAH HARBOR SEDIMENT CONTROL WORKS, GA & SC	RECONNAISSANCE STUDY	100% Federal	GA	KINGSTON
MVD	CLEAR LAKE WATERSHED, IOWA	RECONNAISSANCE STUDY	N/A	IA	HARKIN
MVD	LOWER DES MOINES RIVER, IA & MO	RECONNAISSANCE STUDY	N/A - NEGATIVE	IA	LATHAM
LRO	LICKING RIVER WATER SUPPLY, CYNTHIANA, KY	RECONNAISSANCE STUDY	N	KY	BOSWELL
MVD	BOSSIER PARISH LEVEE AND FLOOD CONTROL, LA	RECONNAISSANCE STUDY	N	LA	BUNNING
MVD	CROSS LAKE, LA WATER SUPPLY IMPROVEMENTS	RECONNAISSANCE STUDY	N	LA	MCCREERY
NAD	ANACOSTIA RIVER & TRIBS COMPREHENSIVE PLAN	RECONNAISSANCE STUDY	FCSA	MD	HOYER
NAD	MIDDLE POTOMAC RIVER BASIN, MD	RECONNAISSANCE STUDY	N	MD	WYNN
NAD	PORTSMOUTH HARBOR & PISCATAQUA RIVER, TURNING BASIN, NH	RECONNAISSANCE STUDY	N	ME	ALLEN
NAD		RECONNAISSANCE STUDY	N	ME	BRADLEY

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DDA	NAME	TYPE OF SIGNED AGRMNT	ST	
		REASON FOR LISTING		
SPD	TRES RIOS, AZ	ONGOING CONSTRUCT	CA	PASTOR
SPD	TUCSON DRAINAGE AREA, AZ	ONGOING CONSTRUCT	AZ	GROKAVA
SPD	AMERICAN RIVER WATERSHED, CA (FY 05 BUDGET FOR PED)	ONGOING CONSTRUCT	N	DOOLITTLE
SPD	CAMBRIA SEAWATER DESALINATION, CA	ONGOING CONSTRUCT	CA	CAPPS
SPD	CORTE MADERA CREEK, CA	ONGOING CONSTRUCT	CA	WOODSEY
SPD	COYTE AND BERRYESSA CREEKS, CA	ONGOING CONSTRUCT	CA	HONDA
SPD	FARMINGTON RECHARGE (SEG 502)	ONGOING CONSTRUCT	CA	POMBO
SPD	HARBORSOUTH BAY WATER RECYCLING STUDY, LOS ANGELES, CA	ONGOING CONSTRUCT	CA	RORRBACHER
SPD	MERCED COUNTY STREAMS, CA	ONGOING CONSTRUCT	CA	CARSDOZA
SPD	MURRIETA CREEK, CA	ONGOING CONSTRUCT	CA	CALVERT
SPD	NORTH VALLEY REGIONAL WATER INFRASTRUCTURE, CA	ONGOING CONSTRUCT	CA	MCKEON
SPD	SACRAMENTO AREA, CA	ONGOING CONSTRUCT	CA	DOOLITTLE
SPD	SACRAMENTO DEEPWATER SHIP CHANNEL, CA	ONGOING CONSTRUCT	LCA	MILLER
SPD	SAN FRANCISCO BAY TO STOCKTON, CA	ONGOING CONSTRUCT	CA	MILLER
SPD	SAN RAMON VALLEY RECYCLED WATER, CA	ONGOING CONSTRUCT	CA	BOXER
SPD	SOUTH PERRIS, CA	ONGOING CONSTRUCT	CA	TAUSCHER
SPD	STOCKTON METROPOLITAN FLOOD CONTROL REIMBURSEMENT, CA	ONGOING CONSTRUCT	CA	CALVERT
SPD	YUBA RIVER BASIN, CA (FY 05 BUDGET FOR PED)	ONGOING CONSTRUCT	MOA	DOOLITTLE
NAD	DELAWARE BAY COASTLINE, ROOSEVELT INLET TO LEWES BEACH, DE	ONGOING CONSTRUCT	DE	HERGER
NAD	DELAWARE COAST PROTECTION, DE	ONGOING CONSTRUCT	DE	CASTLE
SAD	BREVARD COUNTY, FL	ONGOING CONSTRUCT	CA	CASTLE
SAD	BROWARD COUNTY, FL (REIMBURSABLE)	ONGOING CONSTRUCT	FL	WELDON
SAD	DADE COUNTY, FL	ONGOING CONSTRUCT	CA	DEUTSCH
SAD	DIVAL COUNTY, FL	ONGOING CONSTRUCT	FL	ROS-LEHTINEN
SAD	FORT PIERCE BEACH, FL	ONGOING CONSTRUCT	FL	CRENSHAW
SAD	LEE COUNTY, FL (REIMBURSEMENT)	ONGOING CONSTRUCT	FL	FOLEY
SAD	MANATEE HARBOR, FL	ONGOING CONSTRUCT	FL	GOSS
SAD	MARTIN COUNTY, FL	ONGOING CONSTRUCT	FL	HARRIS
SAD	MIAMI HARBOR CHANNEL, FL	ONGOING CONSTRUCT	FL	FOLEY
SAD	PALM BEACH COUNTY, FL (REIMBURSEMENT)	ONGOING CONSTRUCT	CA	ROS-LEHTINEN
SAD	PINELLAS COUNTY, FL	ONGOING CONSTRUCT	FL	SHAW
SAD	PONCE DE LEON INLET, FL	ONGOING CONSTRUCT	FL	YOUNG
SAD	PORT EVERGLADES, FL	ONGOING CONSTRUCT	CA	MICA
SAD	SARASOTA COUNTY, FL	ONGOING CONSTRUCT	FL	SHAW
SAD	TAMPA HARBOR, ALAFIA RIVER, FL	ONGOING CONSTRUCT	CA	GOSS
SAD	TAMPA HARBOR, FL	ONGOING CONSTRUCT	FL	YOUNG
SAD	TAATES CREEK, RICHMOND COUNTY, GA (DEF CORR)	ONGOING CONSTRUCT	CA	YOUNG
POD	MAALAEA HARBOR, MAUI, HI	ONGOING CONSTRUCT	GA	BURNS
MVD	DES MOINES RECREATION RIVER AND GREENBELT, IA	ONGOING CONSTRUCT	N	CASE
			HA	AKAKA
			IA	LATHAM
			HA	HARKIN

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DDA	NAME	REASON FOR LISTING	TYPE OF SIGNED AGRMNT	ST	PRIMARY CONG INT
MVD	MILLE LACS REGIONAL WASTEWATER, MN (GARRISON/ KATHIO, TOWNSHIP)	ONGOING CONSTRUCT	N	MN	OBERSTAR
LVD	N.E. MINNESOTA ENVIRONMENTAL INFRASTRUCTURE	ONGOING CONSTRUCT	PCA	MN	OBERSTAR
MVD	NORTHEASTERN MINNESOTA (SEC 689, WIRDA 09)	ONGOING CONSTRUCT	PCA	MN	OBERSTAR
MVD	UPPER MISSISSIPPI RIVER, MISSISSIPPE PL, ST. PAUL, MN	ONGOING CONSTRUCT	PED - 04	MN	MCCOLLUM
MVD	BOIS BRULE DRAINAGE AND LEVEE DISTRICT, MISSOURI	ONGOING CONSTRUCT	PCA - 04	MO	EMERSON
MVD	CAPE GIRARDEAU (FLOODWALL), MO	ONGOING CONSTRUCT	PCA - 04	MO	JAKIN
MVD	CHESTERFIELD, MO	ONGOING CONSTRUCT	PCA - 04	MO	GRAVES
MVD	MISSOURI & MIDDLE MISSISSIPPI RIVERS ENHANCEMENT, MO	ONGOING CONSTRUCT	PCA	MO	JAKIN
MVD	Missouri river levee system, Ia, ne, ks & mo ***	ONGOING CONSTRUCT	PCA	MO	gephardt
MVD	ST. LOUIS, MO (COMBINED SEWER OVERFLOW)	ONGOING CONSTRUCT	PCA	MO	gephardt
MVD	STE GENEVIEVE, MO	ONGOING CONSTRUCT	PCA	MO	WICKER
MVD	DESOTO COUNTY WASTEWATER TREATMENT, MS	ONGOING CONSTRUCT	PCA	MS	WICKER
SAD	GULFPORT HARBOR, MS	ONGOING CONSTRUCT	PCA	MS	TAYLOR
MVD	HORN LAKE CREEK MODIFICATION, MS	ONGOING CONSTRUCT	PCA	MS	WICKER
MVD	MISSISSIPPI ENVIRONMENTAL INFRASTRUCTURE, MS	ONGOING CONSTRUCT	PED	MS	WICKER
MVD	FORT PECK FISH HATCHERY, MT	ONGOING CONSTRUCT	PCA	MT	TAYLOR
MVD	RURAL MONTANA, MT (environmental infrastructure)	ONGOING CONSTRUCT	PCA	MT	REHBERG
SAD	BRUNSWICK COUNTY BEACHES, NC	ONGOING CONSTRUCT	PCA	NC	REHBERG
SAD	CAROLINA BEACH AND VICINITY, NC	ONGOING CONSTRUCT	PCA	NC	REHBERG
SAD	STANLY COUNTY WASTEWATER INFRASTRUCTURE, NC	ONGOING CONSTRUCT	PCA	NC	MCINTYRE
MVD	GRAFTON PARK RIVER, ND	ONGOING CONSTRUCT	PCA 04	ND	HAYES
MVD	MISSOURI RIVER RESTORATION, ND	ONGOING CONSTRUCT	N/A	ND	POMEROY
MVD	SHEYENNE RIVER, ND	ONGOING CONSTRUCT	04 COMP	ND	POMEROY
MVD	ANTELOPE CREEK, LINCOLN, NE	ONGOING CONSTRUCT	PCA	NE	POMEROY
MVD	SAND CREEK WATERSHED, SAUNDERS COUNTY, NEBRASKA	ONGOING CONSTRUCT	PCA	NE	POMEROY
MVD	WESTERN SAPPY COUNTY AND CLEAR CREEK, NE	ONGOING CONSTRUCT	PCA - 04	NE	BEREUTER
NAD	ENVIRONMENTAL INFRASTRUCTURE, LEBARON, NH	ONGOING CONSTRUCT	PCA - 04	NE	BEREUTER
NAD	BRIGANTINE INLET TO GREAT EGG INLET (ABSECON ISLAND), NJ	ONGOING CONSTRUCT	PCA	NJ	BASS
NAD	CAPE MAY INLET TO LOWER TOWNSHIP, NJ	ONGOING CONSTRUCT	PCA	NJ	LOBIONDO
NAD	GREAT EGG HARBOR INLET AND PECK BEACH, NJ	ONGOING CONSTRUCT	PCA	NJ	LOBIONDO
NAD	PASSAIC RIVER BASIN FLOOD MANAGEMENT, NJ	ONGOING CONSTRUCT	PCA - 04	NJ	FREILINGHUYSEN
NAD	PARITAN BAY AND SANDY HOOK BAY, NJ	ONGOING CONSTRUCT	PCA	NJ	FREILINGHUYSEN
NAD	SANDY HOOK TO BARNEGAT INLET, NJ	ONGOING CONSTRUCT	PCA	NJ	PALLONE
NAD	TOWN OF NEWTON, NJ	ONGOING CONSTRUCT	N	NJ	GARRETT
SPD	CENTRAL NEW MEXICO, NM	ONGOING CONSTRUCT	PCA	NM	WILSON
SPD	MIDDLE RIO GRANDE FLOOD PROTECTION, BERNALILLO TO BELEN, NM	ONGOING CONSTRUCT	N	NM	WILSON
SPD	RIO GRANDE FLOODWAY, SAN ACACIA TO BOSQUE DEL APACHE, NM	ONGOING CONSTRUCT	N	NM	PEARCE
MVD	WEST TENNESSEE TRIBES, TN	ONGOING CONSTRUCT	N	TN	TANNER
SPD	RURAL NEVADA	ONGOING CONSTRUCT	PCA	NV	GIBBONS

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DDA	NAME		TYPE OF SIGNED AGRMNT	ST	
SPD	VIRGIN RIVER MESQUITE RURAL NEVADA	ONGOING CONSTRUCT	PCA	NV	BERKLEY
NAD	EAST ROCKAWAY INLET TO ROCKAWAY INLET AND JAMAICA BAY, NY	ONGOING CONSTRUCT	PCA	NY	WEINER
NAD	FIRE ISLAND INLET TO JONES INLET, NY	ONGOING CONSTRUCT	PCA	NY	ISRAEL
LRD	NEW YORK STATE CANAL SYSTEM, NY	ONGOING CONSTRUCT	MOA	NY	WALSH
NAD	RAMAPO AND MAHWAH RIVERS MAHWAH, NJ AND SUFFERN, NY	ONGOING CONSTRUCT	N	NY,NJ	ENGEL
LRD	HOLLES CREEK, WEST CARROLLTON, OH	ONGOING CONSTRUCT	PCA	OH	HALL
LRD	MILL CREEK, OH	ONGOING CONSTRUCT	PCA, MOA	OH	CHABOT
LRD	WEST COLUMBUS, OH	ONGOING CONSTRUCT	PCA	OH	PRYCE
SWD	CANTON LAKE, OKLAHOMA (DAM SAFETY)	ONGOING CONSTRUCT	N	OK	LUCAS
SWD	LAWTON, OKLAHOMA	ONGOING CONSTRUCT	N	OK	COLE
SWD	TAR CREEK CLEANUP, OK	ONGOING CONSTRUCT	PCA	OK	CARSON
NWD	COLUMBIA RIVER CHANNEL IMPROVEMENTS, OR & WA	ONGOING CONSTRUCT	PCA - 04	OR	BAIRD, WA 3
LRD	CONEMAUGH RVR BASIN, MANTY GLO ENVIRONMENTAL RESTORATION, PA	ONGOING CONSTRUCT	PCA	PA	MURTHA
NAD	DELAWARE RIVER MAIN CHANNEL, NJ, PA & DE	ONGOING CONSTRUCT	N	PA	
LRD	LOCKS & DAMS 2, 3 & 4, PA	ONGOING CONSTRUCT	N	PA	
NAD	NORTHEAST COUNTIES ENVIRONMENTAL INFRASTRUCTURE	ONGOING CONSTRUCT	NIA	PA	MURTHADOYLE
LRD	PRESQUE ISLE PENINSULA, PA (PERMANENT)	ONGOING CONSTRUCT	PCA	PA	SHERWOOD
NAD	SCHUYLKILL RIVER PARK, PHILADELPHIA, PA	ONGOING CONSTRUCT	Y - LCA	PA	ENGLISH
NAD	SOUTHEASTERN PENNSYLVANIA, PA	ONGOING CONSTRUCT	PCA - 04	PA	
LRD	THREE RIVERS WET WEATHER DEMO PROGRAM, PA	ONGOING CONSTRUCT	PCA	PA	DOYLE
SAD	RIO DE LA PLATA, PR	ONGOING CONSTRUCT	PCA	PR	ACEVEDO-VILA
NWD	MISSOURI RIVER RESTORATION, SD	ONGOING CONSTRUCT	NIA	SD	DASCHLE
LRD	CHICKAMAUGA LOCK	ONGOING CONSTRUCT	NIA	TN	FRIST
NWD	NONCONNAH ENVIRONMENTAL ENHANCEMENT, TN	ONGOING CONSTRUCT	PCA - 04	TN	FRIST
NWD	NONCONNAH RECREATION FACILITY, TN	ONGOING CONSTRUCT	PCA - 04	TN	FRIST
NWD	WOLF RIVER, MEMPHIS, TN	ONGOING CONSTRUCT	PCA	TN	BLACKBURN
SWD	CHANNEL TO VICTORIA, TX	ONGOING CONSTRUCT	PCA	TX	PAUL
SWD	CLEAR CREEK, TX	ONGOING CONSTRUCT	PCA	TX	LAMPSON
SWD	GRAHAM, TX (BRAZOS RIVER BASIN)	ONGOING CONSTRUCT	PCA	TX	STENHOLM
SWD	HUNTING BAYOU, HOUSTON, TX	ONGOING CONSTRUCT	N	TX	GREEN
SWD	MOUTH OF COLORADO RIVER, TX	ONGOING CONSTRUCT	N	TX	PAUL
SWD	NECHES RIVER AND TRIBUTARIES SALTWATER BARRIER, TX	ONGOING CONSTRUCT	PCA	TX	LAMPSON
SWD	NORTH PADRE ISLAND, PACKERY CHANNEL, TX	ONGOING CONSTRUCT	PCA	TX	ORTIZ
SWD	RED RIVER BASIN CHLORIDE CONTROL, TX & OK	ONGOING CONSTRUCT	N	TX	THORNBERY
SWD	SAN ANTONIO CHANNEL IMPROVEMENT, TX	ONGOING CONSTRUCT	PCA	TX	BONILLA
SWD	WACO LAKE AIRPORT PARK, TX	ONGOING CONSTRUCT	N	TX	EDWARDS
NAD	CHESAPEAKE BAY ENVIRONMENTAL PROGRAM, MD, VA & PA	ONGOING CONSTRUCT	PCA	VA	SARBANES
NAD	EMBREY DAM, VA	ONGOING CONSTRUCT	PCA	VA	WARNER
NAD	ENVIRONMENTAL REMEDIATION, FRONT ROYAL, VA	ONGOING CONSTRUCT	PCA	VA	WOLF

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DDA	NAME	REASON FOR LISTING	TYPE OF SIGNED AGRMNT	ST	
NAD	LAKE MERRIWEATHER, GOSHEN DAM AND SPILLWAY, VA	ONGOING CONSTRUCT	N	VA	GOODLATTE
NAD	OCOQUAN CREEK	ONGOING CONSTRUCT	PCA	VA	DAVIS
SAD	ROANOKE RIVER UPPER BASIN, HEADWATERS AREA, VA	ONGOING CONSTRUCT	Y-PCA	VA	GOODLATTE
NAD	VIRGINIA BEACH VA (HURRICANE PROTECTION)	ONGOING CONSTRUCT	PCA	VA	SCHROCK
NAD	DUWAMISH AND GREEN RIVER BASIN, WA	ONGOING CONSTRUCT	PCA - 04	WA	SMITH
NWD	PUGET SOUND AND ADJACENT WATERS RESTORATION, WA	ONGOING CONSTRUCT	PCA - 04	WA	DICKS
NWD	SHOALWATER BAY, WA (SEC 545 OF WRDA, 2000)	ONGOING CONSTRUCT	N/A	WA	DICKS
NWD	SNAKE RIVER INTERPRETIVE CENTER, CLARKSTON, WA	ONGOING CONSTRUCT	PCA - 04	WA	NETHERCUTT
LRD	NORTHERN WISCONSIN ENVIRONMENTAL ASSISTANCE, WI	ONGOING CONSTRUCT	PCA	WI	OBEY
NAD	CUMBERLAND, MD AND RIDGELEY, WV	ONGOING CONSTRUCT	N	WV	RAHALL
LRD	GREENBRIER RIVER BASIN, WV	ONGOING CONSTRUCT	N	WV	RAHALL
LRD	LOWER MUD RIVER, MILTON, WV	ONGOING CONSTRUCT	PCA	WV	RAHALL
NWD	JACKSON HOLE RESTORATION, WY	ONGOING CONSTRUCT	PCA - 04	WY	CUBIN
LEGEND:					
CANCELLATION: Per the language in the President's Budget, projects with "Of the funds previously made available for construction...all amounts that remain unobligated as of the effective date of the Act are hereby cancelled."					
RECONNAISSANCE STUDIES: Studies leading to identification of a feasible project to carry into more detailed studies; since 1996 this has been a "seamless funding" into a Feasibility Study, and required a Letter of Intent from a local sponsor.					
ONGOING CONSTRUCTION: Projects that were under construction and received appropriations in FY04, and had a signed contract between local sponsor and Federal government, usually a Project Cooperation Agreement (PCA).					
SHORE PROTECTION RENOURISHMENT: Projects which were not under construction in FY04, but were scheduled for periodic renourishment in out years, and had a signed contract between local sponsor and Federal government, usually a Project Cooperation Agreement (PCA).					
PRECONSTRUCTION ENGINEERING AND DESIGN: Projects that were in the pre-construction phase of engineering design leading to construction, and received appropriations in FY04, and had a signed contract between the local sponsor and Federal government, usually a Preconstruction engineering and design Agreement (PED).					
FEASIBILITY STUDIES: Studies leading to an authorized project for design and construction, and received appropriations in FY04, and had a signed contract					