

OPENING STATEMENT AS PREPARED
The Honorable Mike Simpson
Chairman, Energy and Water Development Subcommittee
House Committee on Appropriations

Hearing on U.S. Army Corps of Engineers, Civil Works
FY 2015 Budget
March 26, 2014

I'd like to call this hearing to order. Good morning, everyone. To dispense with a little bit of administrative business, I would like to ask unanimous consent to allow two of our full committee members – Mr. Kingston and Mr. Bishop – to join us on the dais and to ask questions of the witnesses once all subcommittee members have had an opportunity. With no objection, we'll proceed with the hearing.

Our hearing today is on the fiscal year 2015 budget request for the civil works program of the U.S. Army Corps of Engineers. I'd like to welcome our witnesses, Assistant Secretary of the Army for Civil Works Jo-Ellen Darcy and Chief of Engineers Lieutenant General Thomas Bostick. It is good to see you both again, and I look forward to your testimony.

The Corps of Engineers, through its civil works program, is charged with addressing water resources needs across the nation. Corps ports and waterways handle more than 2.3 billion tons of cargo, directly serving forty-one states. The Corps helps states and local communities reduce their vulnerability to flooding, saving lives and preventing average annual damages of more than \$37 billion over the past decade.

The civil works program also promotes restoration of degraded ecosystems, maintains water supply storage sufficient to provide daily indoor needs of 96 million households, and provides recreation opportunities for millions of Americans nationwide. Corps hydropower facilities generate more than 77 billion kilowatt-hours and approximately \$5 billion in gross revenues annually. The Corps also has a significant role in responding to natural disasters under the National Response Framework and has personnel engaged in supporting various missions overseas.

All of these activities are critical to the nation's safety and economic well-being, but you would never know it by this budget request.

The fiscal year 2014 Civil Works budget for the Corps of Engineers totals nearly \$5.5 billion, \$741 million above the budget request for that year. The request for fiscal year 2015 totals only \$4.5 billion, a \$934 million reduction from our appropriation last year. Let me reiterate that -- even with the deteriorating water resources infrastructure in this country, the request is a full \$934 million below last year. That's an incredible 17% reduction.

It is apparent to me that Congress has one vision for the Corps of Engineers and the Administration has a starkly different one. We hear frequently about the challenges facing our shippers from filled-in channels and locks and dams which are falling apart. Every few years we have to address significant flooding in one part of the country or another. These are challenges that the Corps should be addressing. Yet, instead, the Administration asks for a 20% reduction in the navigation program – including a more than 10% reduction in Harbor Maintenance Trust Fund activities – and a 16% reduction in the flood control program – including a 27% reduction in construction.

I am also concerned that these competing visions are contributing to a growing disconnect between the Congress and the executive branch over the Corps of Engineers. It is one thing for the Administration to outline a vision for the Corps that differs from the congressional vision. But once the Energy and Water appropriations bill is passed by Congress and signed by the President, that is the law, and this Subcommittee expects you to follow both the letter and the intent of that law. There have been a few notable instances in the past year or so of where adherence to the law has been questionable at best.

Secretary Darcy, we need to figure out how to be on the same page when it comes to implementation of the civil works program. I'm not sure if it's a question of simple misunderstandings coupled with a lack of communication or whether the Administration doubts how serious the Committee is about its directions. Perhaps it's something else entirely. I look forward to discussing these issues and specific examples with you later in the hearing.

Again, I'd like to welcome our witnesses to the subcommittee. Secretary Darcy, please ensure that the hearing record, questions for the record, and any supporting information requested by the Subcommittee are delivered in final form to us no later than four weeks from the time you receive them. Members who have additional questions for the record will have until close of business tomorrow to provide them to the Subcommittee office.

With that, I'll turn to Ms. Kaptur for her opening comments.

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