

DEPARTMENT OF THE ARMY CORPS OF ENGINEERS

COMPLETE STATEMENT OF

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CHIEF OF ENGINEERS

U.S. ARMY CORPS OF ENGINEERS

BEFORE

COMMITTEE ON APPROPRIATIONS

SUBCOMMITTEE ON ENERGY AND WATER DEVELOPMENT

UNITED STATES HOUSE OF REPRESENTATIVES

ON

THE FISCAL YEAR 2017 BUDGET

FOR THE ARMY CORPS OF ENGINEERS, CIVIL WORKS

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Mr. Chairman and Members of the Subcommittee:

I am honored to testify before your committee today, along with the Assistant Secretary of the Army for Civil Works, the Honorable Jo-Ellen Darcy, on the President's Fiscal Year 2017 (FY 2017) Budget for the United States Army Corps of Engineers (Corps) Civil Works Program. This is my fourth and final time before this Subcommittee to testify on the Civil Works budget; thank you for your support in the past, and I look forward to continuing to work together during the remainder of my tenure as Chief of Engineers.

I have been in command of the Corps for nearly four years, and I want to briefly update you on the four Campaign Plan Goals for the Corps.

First, **Support National Security**. The Corps supports the National Security efforts of the United States. We continue working across the globe with presence in more than 110 countries, using our Civil Works, Military Missions, and Water Resources Research and Development expertise to support our Nation's Combatant Commanders. We are proud to serve this great Nation and our fellow citizens, and we are proud of the work the Corps does to support America's foreign policy. Civilian Army Corps employees from across the Nation have volunteered – and continue to volunteer – to work, in a civilian capacity, to provide critical support to our military missions abroad and humanitarian support to the citizens of those nations. Many of these volunteers have served on multiple deployments.

Second, **Transform Civil Works**. The four elements of the Civil Works Transformation strategy will make the Corps more efficient and effective while continuing to support the Nation by addressing some of our greatest infrastructure needs. Civil Works Transformation focuses on modernizing the project planning process; enhancing the budget development process through a more streamlined process and the use of a systems approach, to identify and deliver more holistic outcomes to the Nation; evaluating the portfolio of existing water resources projects to support risk-informed investment decisions, identify priorities, and develop better solutions to water resources problems; and improving methods of delivery to produce and deliver quality products and services.

Since the inception of Civil Works Transformation efforts in 2008, 58 Chief's reports have been completed, with 45 Chief's Reports completed in the last four years alone; we are learning and continue to become more efficient in our processes.

Third, we must continue to be proactive and develop better strategies to **Reduce Disaster Risks**, as well as respond to natural disasters when they do occur, under the National Response Framework, National Disaster Recovery Framework, P.L. 84-99 as amended, and Corps project authorities for flood risk management. I continue to be amazed at the work the Army Corps does in this arena. For example, the Corps provided technical expertise to the State of South Carolina during its historic flooding last year by assisting in inspecting over 600 locally owned dams to assess dam safety

vulnerability. More recently, the Corps teamed with local communities and State-led Army National Guard units during the Mississippi River floodfight to help impacted communities in the flood's aftermath. Additionally, I am pleased to report to you that all of the Federal flood risk reduction systems along the Mississippi performed as designed, demonstrating the effectiveness of the investments made.

Fourth, **Prepare for Tomorrow**. This is about our people – ensuring we have a pipeline of the best Science, Technology, Engineering and Mathematics personnel, as well as strong Workforce Development and Talent Management programs. Efforts to tailor development programs to employee aspirations is helping to maximize talent retention and is instilling a career of service culture. We take seriously the importance of engaging and retaining our talented workforce and have significantly improved our agency ranking in the Federal Employee Viewpoint Survey over the past year, on the list of best places to work in the Federal government. Equally important is helping the Nation's Wounded Warriors and transition out of active duty to find fulfilling careers. Last year, we set a goal to assist 150 transitioning Wounded Warriors. I am proud that we achieved more than double that goal. We assisted over 300 Wounded Warriors in finding permanent positions within the Corps and other organizations. Over the past three years, we have helped 631 Wounded Warriors find meaningful careers.

We are equally focused on Research and Development efforts to help solve a host of the toughest challenges facing the Army and the Nation. Our Civil Works Program research and development efforts provide 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 of the Nation's engineering and construction industry, and through providing more cost-effective ways to operate and maintain public infrastructure, Civil Works program research and development contributes directly to the national economy.

SUMMARY OF FY 2017 BUDGET

The FY 2017 Civil Works Budget is a performance-based budget, and reflects a focus on the work that will provide the highest net economic and environmental returns on the Nation's investment or address a significant risk to safety. Investments by the Civil Works program will reduce the risks of flood impacts in communities throughout the Nation, facilitate commercial navigation, restore and protect significant aquatic ecosystems, generate low-cost renewable hydropower, and support American jobs. Continued investment in critical Civil Works infrastructure projects is an investment in the Nation's economy, security, and quality of life – now and in the future.

The Budget focuses on high-performing projects and programs within the three main water resources missions of the Corps: commercial navigation, flood and storm damage reduction, and aquatic ecosystem restoration. The FY 2017 Budget includes \$4.62 billion in gross discretionary funding for Civil Works activities throughout the Nation, including the construction of water resources projects that will provide high economic, environmental and public safety returns on the Nation's investment.

The Budget also proposes the necessary level of funding for the Regulatory program to protect and preserve water-related resources of the Nation.

INVESTIGATIONS PROGRAM

The FY 2017 Budget provides \$85 million in the Investigations account, and \$7 million in the Mississippi River and Tributaries account to evaluate and design projects within the Corps three main mission areas, with emphasis on those that are potentially the most promising on a performance basis; and for related work, including some research and development. The Budget also supports the Corps planning and technical assistance programs, including using its expertise to help local communities increase their resilience to, and preparedness for, flood risks such as the flood risks in coastal communities associated with hurricanes and sea-level rise.

CONSTRUCTION PROGRAM

The Budget provides \$1.09 billion for the construction program in the Construction account, and \$64 million in the Mississippi River and Tributaries account, prioritizing projects with the greatest net economic and environmental returns per dollar invested, as well as projects that address a significant risk to safety. The Budget includes funds for one high-priority construction new start: Mud Mountain Dam, Washington. In keeping with our Civil Works transformation strategy, the Budget provides construction funding to complete six projects, and deliver their benefits to the Nation.

The goal of the construction program is to produce as much value as possible for the Nation from the available funds. The Corps uses objective performance measures to allocate this funding. For projects that are being funded primarily due to their economic return, these include benefit-to-cost ratios. For projects funded on the basis of their environmental return, priority is given to those projects that are highly effective at restoring degraded structures, functions or processes of significant aquatic ecosystems on a cost-effective basis. The selection process also prioritizes dam safety assurance, seepage control, static instability correction projects, and those that address a significant risk to safety.

OPERATION AND MAINTENANCE (O&M) PROGRAM

All structures age and, over time can deteriorate, causing a potential decline in reliability. With proper maintenance and periodic rehabilitation, however, we can extend the effective life of most of the facilities owned or operated by, or on behalf of, the Corps for many years. As stewards of this infrastructure, we are working to ensure that key features continue to provide appropriate levels of service to the American people.

The Corps is working to improve the efficiency and effectiveness of its operation and maintenance program. The Budget focuses on investments that address infrastructure maintenance needs on a risk assessment basis. In FY 2017, the Corps will further expand the implementation of a modern asset management program, dedicating an increased amount of its O&M funding to the key features of its infrastructure and for work that will reduce long-term O&M costs in real terms. The Budget also supports an energy sustainability program and pursues efficiencies in the acquisition and operation of our information technology.

The Budget for the operation and maintenance program provides \$2.705 billion in the O&M account, and \$151 million in the Mississippi River and Tributaries account, with a focus on the operation and maintenance of key commercial navigation, flood risk management, hydropower and other facilities. The Budget gives priority to coastal ports and inland waterways with high levels of commercial traffic, and includes \$951 million for work financed through the Harbor Maintenance Trust Fund. The Budget also funds some small ports, with emphasis on those that support significant commercial fishing, subsistence, or public transportation benefits. The Budget provides O&M funding for safety improvements at Federal dams and levees based on the risk and consequence of a failure. According to our analyses, 297 of the 709 dams in our current inventory have required some form of modification or interim risk reduction measure, or may require them over the next 50 years, if they are to continue to serve their authorized purposes. Many interim risk reduction measures have been implemented already and additional measures are considered and evaluated as new and existing issues are identified.

Generally, the O&M program supports completed works owned or operated by the Corps, including administrative buildings and laboratories. Work to be accomplished includes: operation of locks and dams along the inland waterways; dredging of inland and coastal Federal channels; operating multi-purpose dams and reservoirs for flood risk reduction, hydropower, recreation, and related purposes; maintenance and repair of facilities; monitoring of completed projects; and general management of Corps facilities and the land associated with these purposes including work to serve as a responsible steward of the resources on Corps lands.

The FY 2017 Budget provides \$194 million in the O&M account for hydropower activities in order to maintain basic power components such as generators, turbines, transformers and circuit breakers at Corps hydropower facilities to keep them operating efficiently and effectively. The Corps is the largest hydropower producer in the U.S., operating 24 percent of the Nation's hydropower capacity.

REIMBURSABLE PROGRAM

Through the Interagency and International Services (IIS) Reimbursable Program, the Civil Works program assists other Federal agencies, state, local, tribal governments, and those of other countries with timely, cost-effective solutions to support their

programs. These agencies can turn to the Corps, which already has these capabilities, rather than develop their own internal workforce and expertise to oversee project design and construction. Such intergovernmental cooperation is effective for agencies and the taxpayer, and uses the skills and talents that we bring from our Civil Works and Military Missions programs. The work is principally technical oversight and management of engineering, environmental, and construction projects – the work itself is typically performed by private sector firms – is financed by the agencies we service. IIS Reimbursable Program activities in support of our domestic stakeholders totaled \$657 million in FY 2015. We only accept agency requests that are consistent with our core technical expertise, in the national interest, and that can be executed without impacting our primary mission areas.

EMERGENCY MANAGEMENT

The FY 2017 Budget provides \$30 million in funding for the Flood Control and Coastal Emergencies account to enable the Corps to prepare for emergency operations in response to natural disasters. The Budget for the emergency management program also includes \$4.5 million for the National Emergency Preparedness Program.

An additional \$3 million is included in the Investigations account for the Corps participation in the development and expansion of intergovernmental teams, known as Silver Jackets, which collaboratively reduce the risks associated with flooding and other natural hazards. The Silver Jackets program is an innovative program, which provides a national forum to address State and local flood risk management priorities. Each team is developed at the state level. The teams share lessons learned at the state level with each other, and each team works to apply the available Federal and State resources effectively to meet its State's flood risk management priorities. There are now 45 active teams (44 States and the District of Columbia); our goal is to have a Silver Jackets team for every State. The floodplain management program of the Corps complements this effort by providing technical assistance.

CONCLUSION

The FY 2017 Budget represents a continuing, fiscally prudent investment in the Nation's water resources infrastructure and restoration of its aquatic ecosystems. The U.S. Army Corps of Engineers is committed to a performance-based Civil Works Program, based on innovative, resilient, and sustainable risk-informed solutions.

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