



Committee on Transportation and Infrastructure
U.S. House of Representatives
Washington DC 20515

Bill Shuster
Chairman

Mathew M. Sturges
Staff Director

Peter A. DeFazio
Ranking Member

Katherine W. Dedrick
Democratic Staff Director

March 9, 2018

SUMMARY OF SUBJECT MATTER

TO: Members, Subcommittee on Water Resources and Environment
FROM: Staff, Subcommittee on Water Resources and Environment
RE: Subcommittee Hearing on “Building a 21st Century Infrastructure for America: Water Resources Projects and Policy”

PURPOSE

The Subcommittee on Water Resources and Environment will meet on Thursday, March 15, 2018, at 10:00 a.m. in 2167 Rayburn House Office Building to receive testimony from the United States Army Corps of Engineers (Corps) on the 2017 and 2018 Reports to Congress on Future Water Resources Development, and on Chief’s Reports. This hearing is intended to provide Members with an opportunity to review these reports and the process the Corps undertakes for developing its projects and activities for the benefit of the Nation.

BACKGROUND

The Corps is the federal government's largest water resources development and management agency. The Corps began its water resources program in 1824 when Congress, for the first time, appropriated funds for improving river navigation. Since then, the Corps’ primary missions have expanded to address river and coastal navigation, reduction of flood damage risks along rivers, lakes, and the coastlines, and projects to restore and protect the environment. Along with these missions, the Corps generates hydropower, provides water storage opportunities to cities and industry, regulates development in navigable waters, assists in national emergencies, and manages a recreation program. Today, the Corps is comprised of 38 District offices within eight Divisions and manages nearly 1,500 water resources projects.

To achieve its mission, the Corps plans, designs, and constructs water resources development projects for the purposes of navigation, flood control, beach erosion control and shoreline protection, hydroelectric power, recreation, water supply, environmental protection, restoration and enhancement, and mitigation for fish and wildlife impacts. The Corps planning process seeks to balance economic development and environmental considerations as it addresses water resources challenges. This process is intended to approach the Nation’s water

resources needs from a systems perspective and evaluate a full range of alternatives in developing solutions.

The first step in a Corps water resources development project is to study the feasibility of the project. This can be done in two ways. One, if the Corps has previously conducted a study in the area of the proposed project, the new study can be authorized by a resolution, either from the House Committee on Transportation and Infrastructure or the Senate Committee on Environment and Public Works. As a result of authorization process reforms in 2014, the Committee on Transportation and Infrastructure has not adopted a new study resolution since 2010. Two, if the area has not been previously studied by the Corps, then an Act of Congress is necessary to authorize the study. In recent years, most studies have been authorized through a Water Resources Development Act (WRDA).

Typically, the Corps enters into a cost-sharing agreement with the non-federal project sponsor to initiate the feasibility study process. The cost of a feasibility study is shared 50 percent by the federal government, subject to appropriations, and 50 percent by the non-federal project sponsor.

During the feasibility study phase, the appropriate Corps District Office prepares a draft study report containing a detailed analysis on the economic costs and benefits of carrying out the project and identifies any associated environmental, social, or cultural impacts. In some cases, dozens of project alternatives are identified and reviewed. The feasibility study typically describes with reasonable certainty the economic, social, and environmental benefits and detriments of each of the alternatives, and identifies the engineering features, public acceptability, and the purposes, scope, and scale of each. The feasibility study includes any associated environmental impact statement and a mitigation plan. It also contains the views of other federal agencies and non-federal entities on the project alternatives, a description of non-structural alternatives to the recommended plans, and a description of the anticipated federal and non-federal participation in the project.

Following completion of the feasibility study phase, the document is transmitted to the appropriate Corps Division for review, and, if approved, is then transmitted to the headquarters of the Corps for final policy and technical review. After a full feasibility study is completed, the results and recommendations of the study are submitted to the Congress, usually in the form of a report approved by the Chief of Engineers (commonly referred to as a Chief's Report). If the results and recommendations are favorable, then the final step is Congressional authorization of the project. Project authorizations are contained in WRDAs, the most recent of which was enacted in 2016 as Title I of the *Water Infrastructure Improvements for the Nation Act* (P.L. 114-322).

The Corps is subject to all federal statutes, including the National Environmental Policy Act (NEPA), the Clean Air Act, the Clean Water Act, the Endangered Species Act, the Fish and Wildlife Coordination Act, previous WRDAs, Flood Control Acts, and Rivers and Harbors Acts. These laws and associated regulations and guidance provide the legal basis for the Corps planning process.

For instance, when carrying out a feasibility study, NEPA requires the Corps to include: identification of significant environmental resources likely to be impacted by the proposed project; an assessment of the project impacts; a full disclosure of likely impacts; and a consideration of a full range of alternatives, including a No Action Alternative. Importantly, NEPA also requires a 30-day public review of any draft document and a 30-day public review of any final document produced by the Corps. Additionally, when carrying out a feasibility study, the Clean Water Act requires an evaluation of the potential impacts of a proposed project or action and requires a letter from a state agency certifying the proposed project or action complies with state water quality standards.

The Corps also has to adhere to the “Economic and Environmental Principles and Guidelines for Water and Related Land Resources Implementation Studies” (P&G) developed in 1983 by the United States Water Resources Council. The P&Gs were updated in 2014 with the intention that water resources projects reflect national priorities, encourage economic development, and protect the environment. No funds have been provided through the appropriations process for the Corps to carry out the updated P&G. The P&G is intended to ensure proper and consistent planning by all federal agencies engaged in the formulation and evaluation of federal water resources development projects and activities, and has defined federal objectives for pursuing water resources development projects, including contributions to national economic development consistent with protection of the environment.

Typically, the plan recommended by the Corps is the plan with the greatest net economic benefit consistent with protecting the Nation’s environment. For projects that have multiple purposes, the P&G recommends that such projects maximize, to the greatest extent practicable, economic development and ecosystem restoration outputs. Additionally, the Secretary of the Army has the discretion to recommend an alternative if there are overriding reasons based on other federal, state, or local concerns.

Consistent with NEPA requirements, the P&G requires the formulation of alternative plans to ensure all reasonable alternatives are evaluated, including plans that maximize net national economic development benefits, and incorporate federal, state, and local concerns. Mitigation for adverse project impacts is to be included in each of the alternative plans reviewed in the study. The Corps is responsible for identifying areas of risk and uncertainty in the study, with the goal that decisions can be made with a degree of reliability on the estimated costs and benefits of each alternative plan.

To view the 6 Chief’s Reports that have been submitted to Congress since enactment of WRDA 2016, see the link below:

https://transportation.house.gov/uploadedfiles/18.02.07_chiefs_reports.pdf

The *Water Resources Reform and Development Act of 2014* (WRRDA 2014, P.L 113-121) also established a new mechanism for projects to be considered by Congress for authorization. Section 7001 of WRRDA 2014 requires the Secretary of the Army to annually publish a notice in the Federal Register requesting proposals from non-federal interests for new project authorizations, new feasibility studies, and modifications to existing Corps projects.

Further, it requires the Secretary to submit to Congress and make publicly available a “Report to Congress on Future Water Resources Development” (Annual Report) of those activities that are related to the missions of the Corps and require specific authorization by law.

Section 7001 requires that the Corps provide information about each proposal, such as benefits, the non-Federal interests, and cost share information, that is in the Annual Report submitted to Congress. This information is meant to guide Congress to set priorities regarding which proposed studies, projects, and modifications will receive authorization in future WRDA legislation.

Additionally, Section 7001 contains a provision that requires the Corps to submit to Congress an appendix containing descriptions of those projects requested by non-federal interests that were not included in the Annual Report. Inclusion of those projects in the appendix provides an additional layer of transparency that allows Congress to review all non-federal interest submittals to the Corps. This allows Congress to receive a more complete spectrum of potential project studies, authorizations, and modifications.

Since enactment of WRDA 2016, two Annual Reports have been delivered to the Committee. The Annual Reports may be reviewed at the link below:

<https://transportation.house.gov/wrda-2016/corps-water-resources-report.htm>

CONCLUSION

As the Committee on Transportation and Infrastructure moves forward in developing the next WRDA legislation, this hearing is intended to provide Members with an opportunity to review the Annual Reports and Chief’s Reports, and the process the Corps undertakes when developing its projects and activities that benefit the Nation.

WITNESS LIST

The Honorable Rickey Dale “R.D.” James
Assistant Secretary of the Army (Civil Works)
Office of the Assistant Secretary of the Army – Civil Works

Lieutenant General Todd T. Semonite
Commanding General and Chief of Engineers
United States Army Corps of Engineers