

**BUILDING A 21ST-CENTURY INFRASTRUCTURE FOR
AMERICA: WATER RESOURCES PROJECTS AND
POLICY, PART 1**

(115-41)

HEARING
BEFORE THE
SUBCOMMITTEE ON
WATER RESOURCES AND ENVIRONMENT
OF THE
COMMITTEE ON
TRANSPORTATION AND
INFRASTRUCTURE
HOUSE OF REPRESENTATIVES
ONE HUNDRED FIFTEENTH CONGRESS

SECOND SESSION

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CONTENTS

	Page
Summary of Subject Matter	vi
TESTIMONY	
Hon. R.D. James, Assistant Secretary of the Army for Civil Works, Office of the Assistant Secretary of the Army (Civil Works)	7
Lieutenant General Todd T. Semonite, Commanding General and Chief of Engineers, U.S. Army Corps of Engineers	7
PREPARED STATEMENTS SUBMITTED BY WITNESSES	
Hon. R.D. James and Lieutenant General Todd T. Semonite, joint statement ..	49
SUBMISSIONS FOR THE RECORD	
Hon. Garret Graves, a Representative in Congress from the State of Lou- isiana, submission of the following:	
Letter of March 13, 2018, from American Sportfishing Association, Na- tional Wildlife Federation, Theodore Roosevelt Conservation Partner- ship, et al., to Hon. Bill Shuster, Chairman, and Hon. Peter A. DeFazio, Ranking Member, Committee on Transportation and Infrastructure	54
Letter of March 12, 2018, from Julie Hill-Gabriel, Vice President of Water, National Audubon Society, to Hon. Bill Shuster, Chairman, and Hon. Peter A. DeFazio, Ranking Member, Committee on Transpor- tation and Infrastructure	58
Executive summary from report, "The Ohio River Basin: Formulating Climate Change Mitigation/Adaptation Strategies Through Regional Collaboration with the ORB Alliance," May 2017, by R.G. Drum et al., Civil Works Technical Report, CWTS 2017-01, U.S. Army Corps of Engineers, Institute for Water Resources; submitted by Hon. Alan S. Lowenthal, a Representa- tive in Congress from the State of California	61
Questions for the record for Lieutenant General Todd T. Semonite, Com- manding General and Chief of Engineers, U.S. Army Corps of Engineers, from the following Representatives:	
Hon. Garret Graves of Louisiana	63
Hon. Grace F. Napolitano of California	64
Hon. David Rouzer of North Carolina	64
Hon. Peter A. DeFazio of Oregon	65
Hon. Eleanor Holmes Norton of the District of Columbia	66



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

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March 9, 2018

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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 Wednesday, 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 and non-federal agencies 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

BUILDING A 21ST-CENTURY INFRASTRUCTURE FOR AMERICA: WATER RESOURCES PROJECTS AND POLICY, PART 1

THURSDAY, MARCH 15, 2018

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON WATER RESOURCES AND
ENVIRONMENT,
COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE,
Washington, DC.

The subcommittee met, pursuant to notice, at 10:03 a.m. in room 2167 Rayburn House Office Building, Hon. Garret Graves (Chairman of the subcommittee) presiding.

Mr. GRAVES OF LOUISIANA. The subcommittee will come to order. Without objection, the Chair is authorized to declare recess at any time.

Good morning, and thank you for being here. I ask unanimous consent that Members not on the subcommittee be permitted to sit with the subcommittee at today's hearing and ask questions.

Without objection, so ordered.

I would like to welcome everyone to the hearing today: "Building a 21st-Century Infrastructure for America: Water Resources Projects and Policy."

The Corps of Engineers constructs projects critical to the Nation for the purposes of navigation, flood control, environmental restoration, shoreline protection, hydroelectric power, recreation, restoration and enhancement, and fish and wildlife mitigation, and other purposes. Today we will review six U.S. Army Corps of Engineers project Chief's Reports that have been delivered to Congress since the WIIN [Water Infrastructure Improvements for the Nation] Act, which included the Water Resources Development Act of 2016.

Additionally, the Corps of Engineers delivered to Congress the Post-Authorization Change Report on the Savannah Harbor deepening project, and I had the chance to go out there and go see that project with Congressman Buddy Carter, the local non-Federal sponsors, and impressive work being done out there, and I think certainly of national importance there.

But the six Chief's Reports and one Post-Authorization Change Report are the result of a pretty robust planning process. These projects are proposed by the non-Federal interests in cooperation and consultation with the Corps of Engineers. And all of these reports, while tailored to meet the locally developed needs, must justify national economic and environmental benefits.

Since the enactment of the WIIN Act, the Corps has also transmitted two annual reports on future water resources development, as required by section 7001 of the Water Resources Reform and Development Act of 2014.

The annual reports identify completed feasibility reports, proposed feasibility reports, and proposed modifications to existing authorized projects or studies for potential future authorization by the Congress, and are based upon annual requests from the non-Federal sponsors.

Today we will also examine the Corps' policy by which these projects are implemented.

As you know, our Nation's water resource infrastructure is underfunded and in need of updating. Further, our project development and delivery process is outdated and antiquated, and needs innovation and efficiency. Our ports struggle to maintain their navigation channels at their fully authorized depths, directly impacting our global competitiveness. As we have seen growth in our economy as a result of tax legislation and the reduction of unemployment in this Nation, that puts additional stress on our infrastructure, whether it be our ports, roads, and waterways, or it is on our resilient communities and development.

The annual reports identify—excuse me, I jumped. Our ports—it is not just our navigation system that needs to be upgraded, but also our levees and dam systems, which are on average over 50 years old.

Right now there is a backlog of 1,000 water resource projects authorized by the Congress totaling nearly \$100 billion in need. With an annual appropriation for construction through the Corps of Engineers somewhere between \$1 and \$2 billion, it doesn't take a math whiz to recognize that we simply will never—will never—complete the authorized projects, and never catch up. Therefore, it is critical that the Corps of Engineers work as efficiently as possible.

I want to thank you for including in your testimony a discussion of the President's infrastructure legislative principles that are directly applicable to the Civil Works program. And additionally, I look forward to discussing the next steps taken by the Corps, as well as internal efforts to drive efficacy and efficiency at all levels of the organization.

I will say it again, the status quo is simply unacceptable.

In the end, we have a lot of work to do in order to ensure that our water resources system can sustain the competitiveness of the American economy and protect our national security.

I will now recognize the ranking member, Mrs. Napolitano, for an opening statement.

Mrs. NAPOLITANO. Thank you very much, Mr. Chair, for holding this important meeting and hearing on the condition of our Nation's waterway resources infrastructure.

I also want to extend my warm welcome to both the new Assistant Secretary of the Army for Civil Works, Mr. James, and the Chief of Engineers here, General Semonite. We have had conversations before.

But today's hearing presents a good opportunity to highlight the stark differences between the Trump administration and the Demo-

cratic caucus' better deal on investment in our Nation's infrastructure, especially as is water-related infrastructure. These differences were laid bare just 2 weeks ago, when the President released both his budget request for the year 2019, as well as the much-hyped infrastructure proposal.

Judging from the almost universal lukewarm reaction he has received, it is clear the President's priorities on new infrastructure are not focused on America's future or ensuring that our citizens, our communities, and our businesses have access to infrastructure that is second to none in preparation for everything including commerce.

No, it seems that the President's priorities are what they always have seemed to be: how best for the Wall Street friends to profit off American people and leave behind a weaker, more expensive, less sustainable future for our Nation.

While the President talks big about trillions in investment, it is really just a scam. What little Federal money may be actually in this proposal, his proposal simply comes from robbing other existing infrastructure investment programs, such as a \$1 billion cut to the construction budget of the Army Corps of Engineers.

Further, the fine print of his proposal calls for Americans to dig deeper into their own pockets to pay again and again for essential public services such as safe and efficient transportation and transit, essentially water and wastewater services, and the critical related water infrastructure projects provided by the Army Corps of Engineers.

Over and over again, his plan is out of step with proud American-made infrastructure traditions, calling for new tolls and fees, greater cost, and less decisionmaking authority for States and local governments, and weakened Federal protections.

Investing in our infrastructure, including our water-related infrastructure, should be an opportunity to improve the health of our communities, our economy, and financial stability of our American families, not the bottom line of Wall Street investors. It should reward American manufacturers, American farmers, and American workers, not companies seeking to privatize public services and seeking to profit on every highway mile or river mile traveled, or a gallon of water consumed by American families.

The House Democratic caucus has such a plan. It is called A Better Deal to Renew America. This bold, comprehensive plan calls for a historic \$1 trillion Federal investment to rebuild our crumbling infrastructure and create more than 60 million American jobs. The Better Deal will invest in American iron and steel and new American-made green infrastructure materials to support good-paying jobs and ensure opportunities for small business owners. It will ensure projects advance quickly, while maintaining key environmental protections and labor standards.

Mr. Chairman, like you I am excited to begin on a new Water Resources Development Act. Yet this committee has been extremely successful in getting our work done, thanks to Mr. Shuster, and authorizing a next generation of Corps projects to benefit our communities and our Nation. However, I share the frustration of many of our local sponsors when they realize how little work they put into authorizing a Corps—means if the funding to build that project

does not easily follow. That is why we need a bold vision on how to make those infrastructure investments and see that the hard work of the local sponsor and the Corps become reality.

The President's vision calls for a diminished role for the Corps in meeting our water resources future, a vision that calls for allowing Wall Street buddies to profit off hard-working American families and taxpayers, a vision that calls for increased privatization of public services, and the actual cutting and gutting of critical worker and environmental protections.

Mr. Chairman, I urge this Congress to reject the President's vision and to work with our side on the aisle to make real, substantial investments on our water infrastructure. We stand ready to work on a better infrastructure deal that benefits all Americans.

And again, I want to welcome our witnesses here today to bring the discussion, and yield back the balance of my time.

Mr. GRAVES OF LOUISIANA. Thank you. I want to thank the ranking member. I also want to remind her that the appropriations requests are in line with those of the previous administration.

With that, I yield to the chairman of the full committee, Mr. Shuster, for 5 minutes.

Mr. SHUSTER. Thank you very much, Chairman Graves and Ranking Member Napolitano, for having this hearing today.

Welcome, Secretary James. This is your first time in front of this committee, so welcome.

And General Semonite, good to see you. You have been here a few times before. We appreciate you making the trip up here.

You know, this hearing is a critical step in the process to develop and then move a water resources bill. And everybody knows that efficient water infrastructure is vital to our global competitiveness.

So again, I am pleased that we are on track to pass another WRDA [Water Resources Development Act] bill, get back on the track we got off of several years ago to every Congress authorize these projects. Again, it enables Congress to carry out its clear Federal role in building the Nation's infrastructure. So again, I am very, very pleased we are on our way to another water resources bill. And I appreciate Mrs. Napolitano for thanking me, but it is really the committee working together is how we get these things done. And so I thank everybody on the committee that rolls up their sleeves, and we figure out how to move a bill forward.

Again, today is part of our transparent process that we established in 2004, again, to make sure that projects and related policies are in place and moving forward for the next bill.

Again, as the chairman mentioned, we need to have a more efficient project delivery system in place, and I know that the folks at the Corps have been working hard on it, but we need to do a better job if we are going to build a 21st-century infrastructure that we so desperately need to do.

So again, thank you, Secretary James, for being here, welcome—and General.

I yield back.

Mr. GRAVES OF LOUISIANA. Thank you, Mr. Chairman. I want to yield opening statement time to the ranking member, Mr. DeFazio.

Mr. DEFazio. I thank the chairman. I want to welcome Secretary James here, his first appearance before the committee.

Obviously, you bring a wealth and knowledge regarding our inland waterways, and we will also be talking a little bit about some coastal port issues, too. But I appreciate your being here.

And General, you know, thank you again for your service.

You know, the exchange between the subcommittee chair and the subcommittee ranking member, where the subcommittee chair reminded Mrs. Napolitano that the appropriations were basically in synch with the previous administration, well, I didn't like what the previous administration did. And, unfortunately, this administration is continuing the same practice. That is: we are assessing a tax on the American people.

Every time you buy an imported good, every single thing you buy, there is a tiny ad valorem tax added to it. And this was a creation of Ronald Reagan, supposedly an icon of the Republican Party. He said, "We need stable funding to deal with our port issues," so the tax was established.

And, unfortunately, yes, the Obama administration underspent the tax for phony baloney purposes in the budget, just as this administration has proposed. Basically, we collect the tax and part of the money gets diverted into a theoretical trust fund over there somewhere in the Treasury that we never spend. It will be about \$10 billion of diverted taxes if this President's budget is adopted and if we appropriated these levels.

So we are continuing the mistakes of the past. Obama never—well, he did pretend that he was going to do infrastructure and went around leaning on a shovel a lot, but he never really did an investment in infrastructure. That is why I opposed his Recovery Act. Four percent went to infrastructure. Four percent of \$800 billion.

So let's not continue the mistakes of the past and defend this administration for doing the same boneheaded thing. In fact, the same dishonest thing, which is collecting a tax from the American people to meet, you know, established and unmet needs for our ports, and divert the money over into some other program or illusory deficit reduction. It is indefensible.

If we are going to collect the—well, I suppose they are a little more honest. They want to reduce the tax, so then permanently reduce funding for our ports.

It is great we do WRDA bills every 2 years. And in the last couple of bills we have added \$40 billion to the unmet, unfunded, authorized backlog of the Corps. So the Corps now has a \$96 billion authorized, unfunded pile of projects sitting out there. About half of them are critical projects, the others are, you know—they have different levels of support or need.

Our harbors, on a daily basis, our 59 largest ports are operating somewhere around 40 percent of authorized depths. We don't have the money to do the dredging. I have got harbors on the south coast of my district. Despite the small port set-aside, they are not going to get dredged this year. We don't have the money. We don't have the money. Well, we do have the money, we are just stealing it from the American people and dumping it somewhere else, maybe into the wall with Mexico. I don't know where it is going.

But it is time to stop playing this game. In the last WRDA bill I offered an amendment out of this committee to have a real trust

fund, and it was the only thing taken out of the bill by the Speaker at the behest of now-disgraced former Chairman Price of the Committee on the Budget, who wanted to put the money somewhere else. Let's stop playing this game.

We have these needs, we have got to meet them. And I hope the Secretary can help us be an advocate for that. We have one honest guy who lasted a few months in the Bush administration, Mike Parker. And he came in and I said, "Is this budget adequate to meet the needs of the Corps of Engineers?" He said no. The next week he had to get time with his family and leave his job because he was honest.

We need some advocacy, we need to fight for this money. And hopefully this committee will join in that. Thank you, Mr. Chairman.

Mr. GRAVES OF LOUISIANA. Thank you, Mr. DeFazio. How many other people have you caused to lose their jobs?

[Laughter.]

Mrs. NAPOLITANO. Whatever it takes.

Mr. GRAVES OF LOUISIANA. I said how many other people have you caused to lose their jobs?

Look, I—very quickly, I do want to say that, Mr. DeFazio, I appreciate your continuing efforts to bring attention to this issue. I think you know that I agree with you 100 percent on this, and the problem is not within this committee. If we were to charge fees under the auspices of using it for a particular purpose and then spending it elsewhere in the private sector, that is called embezzling. In the Federal Government that is called budgeting. And it is ridiculous. So I certainly share your concerns.

Before I begin introducing our witnesses this morning I also wanted to dispense with some unanimous consent requests.

I ask unanimous consent that the record remain open 15 days for additional comments and information submitted by Members or witnesses being put in the record of today's hearing.

Without objection, so ordered.

I ask unanimous consent the record of today's hearing remain open until such time as our witnesses have provided answers to any questions that may be submitted to them in writing.

Without objection, so ordered.

I ask unanimous consent that letters from a whole bunch of different groups, including American Sportfishing Association, National Wildlife Federation, Theodore Roosevelt Conservation Partnership, and many, many others be submitted for the record.

And also I ask unanimous consent the correspondence from the National Audubon Society be included in the record of the hearing.

Without objection, so ordered.

[The letters from the organizations referenced above are on pages 54–60.]

Mr. GRAVES OF LOUISIANA. Thank you, and I want to welcome our newly confirmed Assistant Secretary of the Army for Civil Works, Mr. R.D. James, who is with us for the first time today. And we also welcome the Commanding General and Chief of Engineers, Lieutenant General Todd Semonite.

Mr. Secretary, I appreciate you being here. You and I have had the opportunity to work together for about 20 years. And we have

not always seen eye to eye on issues, but something that I do think we see eye to eye on right now is that we have fundamental changes within the Corps of Engineers that are needed, and in terms of improving the efficiency of project development and delivery. And I look forward to working with you on that.

And, with that, you are recognized for 5 minutes.

TESTIMONY OF HON. R.D. JAMES, ASSISTANT SECRETARY OF THE ARMY FOR CIVIL WORKS, OFFICE OF THE ASSISTANT SECRETARY OF THE ARMY (CIVIL WORKS); AND LIEUTENANT GENERAL TODD T. SEMONITE, COMMANDING GENERAL AND CHIEF OF ENGINEERS, U.S. ARMY CORPS OF ENGINEERS

Mr. JAMES. Thank you, Mr. Chairman, other members of the committee. First, I apologize that I didn't get around the dais to meet all of you and say good morning to you. But due to the hour, due to the number of you, I didn't make it around to you.

Chairman Graves, Ranking Member Napolitano, and distinguished members of the subcommittee, I am honored to testify before your committee today, along with General Semonite, Chief of Engineers. We will talk on the subject of America's water resources infrastructure.

I was recently sworn in as Assistant Secretary of the Army for Civil Works, and I look forward to working with this subcommittee and the Congress to address the Nation's water resource infrastructure. And let me state at this point that I intend to visit with each one of this committee's members in your office to get a clear understanding of what you think, what you think we ought to be doing, and get a feeling for this committee. And I commit to doing that as soon as I can get on your schedules.

The President's fiscal year 2019 budget and infrastructure proposal recognizes the current paradigm for investing in water resources development is not sustainable and can deter, rather than enable, local communities, States, and private sector from making important investments on their own, even when they are primary beneficiaries.

The administration's infrastructure proposal and other reforms in the budget are designed to enable local decisionmaking by the local communities and State Governors since they are the ones who best know what infrastructure investments are needed.

The President's infrastructure proposals contained legislative principles that are directly applicable to the Corps' Civil Works responsibilities. The six principles are designed to remove barriers and expedite the delivery of infrastructure projects, combine new and existing revenue streams to enable greater efficiencies for our Nation's inland waterways, encourage innovation by providing incentives in the forms of grants and low-cost loans to non-Federal entities, streamline the Corps' section 404/10 and 408 programs, and authorize Federal divestiture of assets that would be better managed by the State or private entities.

And I would say that the Corps has already begun a few months ago its own analysis of its own progress, its own procedures, and how to get more bang for the buck. I will also say that I have initiated a task force from the Secretary's office that will be looking

into the Corps, as well as some of the processes of other agencies that may hamper the moving forward of our critical project processes and get more bang for the buck.

My office is working with the Corps and other Federal agencies to streamline the Federal permitting and oversight of infrastructure projects through implementation of Fixing America's Surface Transportation Act, FAST-41, and through various recently signed Executive orders.

In addition, we are continuing to work together to identify and implement organizational efficiency opportunities, regulations, and procedures that will improve the Corps' ability to move dirt and get to results.

Regardless of where the Corps of Engineers is located, we agree there is need to address internal policies, regulations, processes, and cultural impediments to ensure that the Corps remains relevant into our future. We want to be value-added in addressing the water resource needs of this Nation.

I look forward to working with each of you and other members of the subcommittee to improve ways that we address the Nation's infrastructure needs.

Let me say to you when I took this job I had two things in mind of trying to do, and that was to quit focusing on the process and get to results. The other was move dirt on the ground. And I want to work with each of you on this committee to try to reach that end.

Thank you very much. I look forward to your questions.

Mr. GRAVES OF LOUISIANA. I ask unanimous consent that the Assistant Secretary get an additional 2 minutes for his southern drawl.

[Laughter.]

Mr. GRAVES OF LOUISIANA. With that, we recognize the Chief of Engineers, General Semonite, for 5 minutes.

General SEMONITE. Chairman Shuster, Ranking Member DeFazio, Chairman Graves, Ranking Member Napolitano, and distinguished members of the subcommittee, thank you for the opportunity to testify today. I am glad to have Secretary James on the Civil Works team, and I look forward to working with him in addressing water resource challenges across the Nation.

I have been in command of the Corps for close to 2 years, and I want to briefly update you on where we are going. As I said last year, the Corps' credibility is measured on our ability to deliver results that are on time, on budget, and of exceptional quality.

Since Congress first authorized our navigation mission in 1824, the Corps has worked hard to develop and implement solutions to the Nation's water resource challenges. We are able to do this because we have a world-class workforce of talented and dedicated professionals who are absolutely passionate about what we do. None of our work can be done alone. It is with the full participation and hard work of many others.

We appreciate value and depend upon the support of the administration, the Congress, and all of our partners to succeed in our mission. I am very proud of the work that the Corps accomplishes, but I am equally aware that this organization can improve. I have been and remain committed to instituting changes to the Corps' de-

livery process in order to become a more efficient and effective organization.

The Corps faces a multitude of challenges, some old and some new. Much of our infrastructure is well beyond the design life, yet the requirements have never been greater. The demands on the Federal budget continue to grow, and as our infrastructure ages we find more and more of our annual appropriation going to operations and maintenance activities at the expense of both investigations and construction investments.

Today we have over \$96 billion in construction requirements, representing the Federal share of a multitude of projects. We have close to 100 ongoing feasibility studies, which, if authorized, will simply add to the Federal budget requirement. Our feasibility studies are formulated with an assumption of efficient funding, and most all are multiple-year projects, but we budget on an annual basis with no assurances that adequate funding will be available from year to year.

This creates uncertainty for our non-Federal sponsors, drives up project costs, and delays the realization of benefits. At the current rate, it will take over 100 years to address that backlog. And this is simply unacceptable.

Together we must remove barriers to the development and improvement of our water resource infrastructure. We must encourage and incentivize alternative project financing, streamlining Federal procedures, and delivering projects and reduce unnecessary Federal oversight to facilitate timely delivery of projects.

The Corps has been working on this issue with the administration, and was instrumental in developing 20 legislative proposals—they are in my hand, right here—that we think should be part of the President's infrastructure package. The Corps continues to work on policy and administrative changes that can improve infrastructure delivery.

Over the last year I have assembled my general officers, my senior executives, my colonels, and my senior leaders to look internally at our organization, our authorities, our policies, regulations, and procedures in order to identify opportunities for increased efficiency and effectiveness.

The Corps is fully engaged in support of five administrative efforts aimed at streamlining our regulatory processes. The Corps is addressing topics such as implementing the one Federal decision that establishes discipline and accountability in the environmental review and permitting process for infrastructure projects. We are also reviewing the nationwide permit program to identify modifications that will increase the efficiency of decisionmaking. And we continue working with the EPA as we review the 2015 "waters of the United States" rule.

Our goal is to simplify the process for gaining infrastructure permits while protecting the environment in accordance with the law. We are working to delegate more decisions to the lowest appropriate level and encouraging our leadership to take more prudent risk: an example out of the multiple improvements the Corps is implementing in our section 408 review process. Our technical experts close to the issues can make decisions based on their experience, knowledge, and competence in a specific area.

To put this concept to practice, we are seeking to make section 408 decisions at the lowest possible level, eliminate redundancies, identify alternative processes or authorities, and clarify when such permissions aren't even required. We believe that risk-informed or professional judgment decisions should be made and documented without being subject to numerous time-consuming reviews.

We are looking at how we can best capture the total value of our projects. Most communities have a master plan that was developed based on an analysis to determine best value for the community or region. This may consider facts like life risk reductions, economic value, and resiliency of the community. We want to make sure that our reports reflect the total value of our projects so that we may enhance opportunities for non-Federal investment.

We are reviewing existing authorities that allow sponsors to take ownership of the project delivery process, and may help leverage non-Federal financing, such as section 203 and 204 authorities provided to WRDA in 1986.

The Corps wants to be part of this solution, not part of the problem. We recognize the need to address internal policies, regulations, processes, and cultural impediments in order to remain relevant into the future. We want to be value added to deliver solutions, whatever role we may have in that endeavor.

But we can't do all these reforms in isolation. We need the help of OMB [Office of Management and Budget] and Congress to unleash the power of the Corps by acting on our numerous recommendations.

Thank you, Mr. Chairman and members of the subcommittee. This concludes my testimony, and I look forward to answering questions you might have. Thank you.

Mr. GRAVES OF LOUISIANA. Thank you, General. We are going to go ahead and go to questions. I appreciate the testimony from both of you. We are going to start with the gentleman from Ohio and the author of the WRRDA [Water Resources Reform and Development Act] 2014 and WRDA 2016 bills, Mr. Gibbs.

Mr. GIBBS. Thank you, Chairman Graves.

Great to see you, General and Honorable James. The first question, many stakeholders have shared concerns with me about the inconsistency in the application of the 2008 mitigation rule, which has resulted in uncertainty and confusion in the section 404 permitting. This in turn has resulted in significant costs and delays in the Clean Water Act permitting.

My question is do you plan to exercise your oversight authority with more predictability, such as issuing a national guidance with respect to the provisions in the rule that have been applied in certain districts in a manner that has led to the undue costs and delays?

I guess anyone, either one of you, can try to answer that.

Mr. JAMES. I am sorry, sir, I thought you were talking to the general.

Mr. GIBBS. Oh, I am sorry. Well, look. The question is the 2008 mitigation rule in regard to section 404 permitting, the shareholders—about uncertainty and confusion. And I think you can exercise oversight authority to bring more predictability to that by issuing a national guidance.

Go ahead, General.

General SEMONITE. So, as I said, sir, we are looking at all of those permitting issues. Again, a lot of it goes back to how, over the years, some things have migrated to a higher level. So we have got to be able to delegate it back down to the level of where there is competence and capacity—both of those—to be able to streamline.

The challenge you have sometimes is when you delegate back down, especially when you have 43 districts, sir. Then it is closer to the decision. But sometimes there are areas where somebody might make different decisions.

So we have a process where we have a lead district to be able to make sure we are as consistent as possible. We are trying to put more information back out so that the adherence back into those policies can build consistency back in. I think it is something we want to do.

But I think what we don't want to do is overly centralize. If you centralize, then what happens is, sir, is that obviously—

Mr. GIBBS. I agree with that, General. But we want to make sure we don't have a similar situation in one district and—

General SEMONITE. Exactly right.

Mr. GIBBS [continuing]. Doing the opposite in another district, and that just drives people crazy.

General SEMONITE. And the best thing, sir, we can do is, when we identify those issues, we bring the players together. But we also have to learn, and then we have to get that word back out so that everybody gets to be able to apply that the same way.

Mr. GIBBS. OK, thank you. My next question, talking to Soo locks stakeholders informed us that the Corps is including in a new benefit-cost ratio calculation for the Soo locks project only a \$2 billion—the cost to build an alternative rail system to transport iron ore, if there is a significant outage at the Poe lock.

I also understand that the Corps' own contractor estimated the cost to actually build the rail connection would be closer to \$6.5 billion.

Why isn't the Corps including the entire cost of the construction of the rail capacity plus the rail operating costs for an average lock outage in the Soo locks project in their economic review?

General SEMONITE. So I have been to Soo locks a couple months ago, sir. I think—and I am looking at this right now—we ran a series of failure analyses on the Soo locks. We did about 10,000 runs of a risk failure. About 50 percent of those runs would require the rail. So that is where, right now—the way that the formula is doing is we are only apportioned 50 percent of the cost. But that doesn't really make a lot of sense.

Mr. GIBBS. Yes, that is—

General SEMONITE. You can't build 50 percent of a railroad.

So I think, as we go back in there, we want to be able to make sure that we are giving all these projects the absolute best chance of success, so when you get to make a decision you are able to figure out where best to put that money.

So I think it is up to the—even myself, I am asking, is that the right way to do it? And if we don't have the authority to be able to make that decision when we come to that analysis, then I want

to come back and make sure we are using common sense and maybe get the appropriate guidance to have that authority.

Mr. GIBBS. Well, I am glad to hear that, because, I mean, it doesn't—you have got to be fair in these benefit-cost ratios. And if you skew the input, you are going to get a skewed output, right? And I think you mentioned that. And I think it—you know, there is other things to probably go through there besides iron ore.

Mr. JAMES. Mr. Congressman, if I may?

Mr. GIBBS. Yes, go ahead.

Mr. JAMES. The Soo locks is very high on my priority list, and the main reason is, as I understand it—and I did not know this before I got up here 4 weeks ago—is that all the iron ore in this country comes out through that Soo locks system, and through the existing Poe lock.

Mr. GIBBS. Yes, correct.

Mr. JAMES. I do not think we have rail capacity in that part of the country to get iron ore out of there. I think iron ore is critical to the national defense of this country, to the automobile, as well as other industries, and to homeland security.

So the benefit-cost ratios that we have been looking at historically I am going to look into trying to change the parameters of the benefits, and try to move this project forward.

Of course, as you know, we are looking at both the repair and extreme updating of the existing one, plus the capability of a new one. So I will have that on my priority list.

Mr. GIBBS. Well, I am glad to hear that, because I have been pushing for this for—since I have been in Congress—starting my eighth year—and it has just been frustrating. It needs to get done. It is of national economic importance for national security, as you say.

And your predecessor, when I was chairman of this committee, I challenged her a little bit because she said they had to do this cost-benefit ratio, and I said to her, "I think, Ms. Secretary, we could sit here in the next 15 minutes and do it, because it is a no-brainer." And so I am glad to hear that. That is refreshing.

Mr. GRAVES OF LOUISIANA. Mr. Gibbs, your clock actually got reset during the thing, so I think we are actually in excess of 5 minutes right now.

Mr. GIBBS. Oh, OK.

Mr. GRAVES OF LOUISIANA. As a matter of fact, it literally just reset in the middle, so I—

Mr. GIBBS. All right. I yield back, then.

[Laughter.]

Mr. GRAVES OF LOUISIANA. I am going to turn to—

Mr. GIBBS. I thought the clock was acting funny, but I didn't want to mention it.

Mr. GRAVES OF LOUISIANA. I was trying to figure out what button you pressed to do that.

[Laughter.]

Mr. GRAVES OF LOUISIANA. I am going to yield 5 minutes to—

Mr. JAMES. Mr. Chairman, I think the general reset it.

Mr. GRAVES OF LOUISIANA [continuing]. Mrs. Napolitano.

Mrs. NAPOLITANO. Mr. Chairman, there seems to be an emerging discussion on the merits of keeping Civil Works function within the

Department of the Army. I and other members of this committee believe the Corps should retain its Civil Works mission, not only because of historic expertise in managing and balancing our Nation's water resources challenges, but also because this civil mission complements our national security, as was pointed out, and our military readiness.

As you know, protecting our navigation corridors, especially during times of military conflict, is critical to our national security, as is ensuring the health and safety of our citizens, our communities from flooding and coastal storms.

General Semonite, I would appreciate your views and the potential consequences of removing this function from DoD, and potentially breaking up Corps missions among other Federal or State agencies. In your view, is there an ongoing reason for retaining the mission within DoD?

General SEMONITE. Ma'am, thanks for that question. And I think it probably involves a lot more than a couple-minute answer here.

I think the biggest question is what is the problem we are trying to solve. And let's make sure we understand what is the end state we are trying to get to, and then how somehow do we address that.

I think your very, very key point there was national security.

The other thing is the Corps of Engineers works for many, many different capabilities in the Federal Government. Those capabilities are resonant in all of our different engineering capabilities. The service we provide, one of those, is Civil Works.

Right now, though, we put 13,000 volunteers in Iraq and Afghanistan for national security to do critical missions for the Department of Defense. We put 4,000 people in Puerto Rico, Virgin Islands, Texas, and Florida in the last 6 months to take care of being FEMA's [Federal Emergency Management Agency's] engineer.

So while you think you could cut Civil Works out, the rest of the depth of the Corps, which is really the engineering and construction capability, is so much more powerful back to the Nation.

And I would love to have more discussion, but I know in the interest of time I am just going to keep it very, very short.

Mrs. NAPOLITANO. Thank you for the answer.

Mr. James and Lieutenant General Semonite, my local water agencies, the Water Replenishment District of Southern California and the Los Angeles County Department of Public Works have been working with the Corps over 12 years on providing interim deviations and permanent deviation for additional water supply at Whittier Narrows. This is a big success and a great failure. We are still waiting.

The great failure is that the local agency has spent 12 years and \$5 million of their own money working with the Corps on a permanent deviation. My water agencies can no longer contribute their time and their money to a never-ending and excessively bureaucratic process. They feel the Corps should have implemented 12 years ago, but delayed because of post-Katrina, which is fair. And that produced effective water supply measures at dry dams when our dry-prone region most needed it.

Now the project is delayed further, and costs have risen due to the new dam's safety work at the dam. And a recent U.S. Fish and Wildlife Service determination that millions of dollars in mitigation

funds are needed for gnats, little old gnats. This all would have been avoided if the Corps had been committed to the project 12 years ago.

Can you commit to us that when local water agencies are offering to give Corps money like WRD to work on projects that will address local needs, the Corps will work expeditiously on these projects?

General SEMONITE. So, ma'am, let me answer. We are very, very committed to continue to look at where we can find more capability for water supply. You and I have talked about this, I have been to California, we are doing this on other dams right now.

We are committed to continue to look at Whittier Narrows. The problem is that is a DSAC [Dam Safety Action Classification I] dam. So we will have our analysis done by June 2019 on how we are going to fix that dam. Once we do that, we then want to look at how can we put more water in the dam. But right now we are focused on the safety of the dam. But we are continuing to be able to get that dam hopefully fixed with the congressional funding by 2022.

Mrs. NAPOLITANO. Is that a promise, the timeline?

General SEMONITE. Ma'am, it is obviously dependent on budget, if the money comes.

Mrs. NAPOLITANO. Again, the budget.

Well, section 1304 of the WIIN Act directed the Corps to integrate and incorporate into the Corps dams in L.A. County seasonable operation for water conservation, water supply. What is the Corps doing to implement this provision and allow for more water supply and recharge opportunities at these dams?

General SEMONITE. So that would be mixed back in with that study. We are doing both concurrently, where we could continue to fix the dam, but then we have got to be able to look at how—where is the safe zone of how much water supply can we keep in there so we still have the flood control piece. That is the big balance there.

And we have seen areas where sometimes local people want to have more and more water in, but now all of the sudden you have a microburst on top of that flood control area, and you don't have enough capacity.

Mrs. NAPOLITANO. Well, we hope we have more water.

Thank you, Mr. Chair.

Mr. GRAVES OF LOUISIANA. Thank you. We can go to Mr. Weber from Texas for 5 minutes.

Mr. WEBER. Thank you, Chairman.

Mr. Hicks—I am sorry, this is from Fred Hicks, Gulf Coast Water Authority, and this is about Lake Whitney in Texas, which is north of our district a little bit. And this is actually for both of you, Mr. James and Lieutenant General Semonite.

My constituents at the Gulf Coast Water Authority are responsible for providing water supply for a number of municipalities, industrial plants, agricultural irrigation from my district, and those of actually several other Members of Congress. This water supply comes from the Brazos River and from Lake Whitney, which is a Corps reservoir.

The Gulf Coast Water Authority is currently working with the Army Corps to address a reallocation of some of the waters from Lake Whitney to better serve the 21st-century needs of our Greater Houston region—of course the area that I represent, as well as some of the other Members of Congress. This would be through the Corps' O&M budget, and with 100 percent of the necessary funding provided by the Gulf Coast Water Authority.

Now, we just went through one heck of a flood with Harvey, and so we had more water than we knew what to do with. But there will come times we will have a drought, and we need to be able to reallocate some of that water from Lake Whitney, which has not been used to date.

So I guess the question for the both of you is can we look forward to you all's cooperation and participation working with the Gulf Coast Water Authority? And then who should we contact in your office to get this set up and get this ball rolling?

Mr. James, I will start with you.

Mr. JAMES. Yes, sir. I can say that water supply is a growing concern in the entire country, due to the heavy population concentrations. You know, our population as a Nation may not be growing, but they are concentrating in certain areas. That makes water supply very important.

We have to balance that with the other authorized uses of a Federal project, one of them being flood control. And we have to look at those as individuals.

I will tell you that—I think that the general will back this up—that we will be looking at this as we move forward, the area that you are talking about in Texas.

Mr. WEBER. Well, you are probably not—I know there is hundreds and hundreds, if not thousands of these, so you are probably not specifically, you know, knowledgeable about this one—and, General, you may not be, either. But I just—I needed the name of somebody in your office that we can get this ball rolling.

General SEMONITE. So, sir, Colonel Zetterstrom talked to you a couple weeks ago, and there are four different issues you are tracking. So we are aware of this.

Mr. WEBER. OK.

General SEMONITE. Especially when the funding is coming from somebody else, that really is able to take that burden back up to the Federal Government. So—

Mr. WEBER. So much for budget problems, as the ranking member pointed out.

General SEMONITE. Zetterstrom is the guy. I talked to him—

Mr. WEBER. OK.

General SEMONITE [continuing]. He sent me a note last night. I will make sure I follow up and tell him to come see you.

Mr. WEBER. Fair enough. I need to move on to, actually, a more sticky subject, and that is there is a critical military issue in my district harkening back to a Clinton-era initiative referred to as the Columbia Bottomlands, Columbia Bottomlands. And what that—which was actually killed back then by then-Senator Phil Gramm and Senator Kay Bailey Hutchison.

Well, the Obama administration tried to revive it, and snuck in an 11th-hour rule making the record before President Trump took

office, and the subject matter, nationwide permit reissuance. All right?

NPRs, I guess you call them, were apparently announced by the Corps on January 6, 2017, in the Federal Register announcing the reissuance of all 50 existing nationwide permits, NWPs, general conditions and definitions with some modifications done with little fanfare, little public notice, very short comment period, as I recall, with virtually no transparency in the process.

To this date, to this day, most of my constituents don't even realize in Brazoria County that they have been the victims of "property taking." The following went into effect on March 19, 2017, and I will quote this: "For the purpose of this regional condition, Columbia Bottomlands are defined as 'waters of the United States'"—sound familiar?—"that are dominated by bottomland hardwoods in the lower Brazos and San Bernard River regions." Totally unacceptable.

Short of working with my Appropriations Committee colleagues to absolutely defund this property taking by the Corps, I am hopeful that we can revisit this matter. Again, somebody in your office that we can interface with, so that we can actually get this reversed, because this is totally unacceptable.

Mr. JAMES. Sir, right now I think the Corps has out for review—[to General Semonite] is this the one out for review?—that is due right away, within the next month or two. I have marked it in my office to review whatever the Corps comes up with on this ruling, as we move forward, not only in your area, but the rest of the United States. That WOTUS [waters of the United States] rule has been overexpanded, it has been overinterpreted. And I am going to look at that. And if I have the power to do anything about the WOTUS rule—

Mr. WEBER. Let me interrupt, if I can, Mr. Chairman, with your indulgence. I have a developer that wants to go on there and put 250-something homes in this area. And that developer is held up by this taking right here. So time is of the essence.

Mr. Semonite, can I jump to you real quick? Who do we work with?

Mr. GRAVES OF LOUISIANA. Please, quickly, and let's finish up.

General SEMONITE. Sir, this is definitely tied up in the WOTUS work that we are doing with the EPA.

Mr. WEBER. OK.

General SEMONITE. So this is a big issue. We will work it as a team, and keep you informed.

Mr. WEBER. Thank you. And thank you, Mr. Chairman.

Mr. GRAVES OF LOUISIANA. Thank you. We are going to go to the ranking member, Mr. DeFazio.

Mr. DEFAZIO. Thanks, Mr. Chairman.

General, the estimates I have from the Corps—to achieve and maintain constructed—widths, depths of all Federal navigation projects—are about \$20.3 billion over the next decade. Do you have anything to contradict that, or—I mean that is a recent estimate we have.

General SEMONITE. Sir, I am not exactly aware of that number.

Mr. DEFAZIO. OK, all right.

General SEMONITE. But I think that is probably in the ballpark.

Mr. DEFAZIO. OK. So as we discussed earlier, since we are going to divert or perhaps even reduce the tax that goes to harbor maintenance, the projected budget is a little less than \$10 billion.

So is there a 50-percent increase in efficiency in dredging and maintaining jetties that you can conceive, unless we are to maybe commission, you know, the Chinese to come in and use illegal immigrant labor, or something? How are we going to get—how are we going to double our efficiency and achieve those depths and get to that point with that money?

General SEMONITE. So, sir, I am not prepared to answer the actual doubling you are talking about. I know that you are very concerned about jetties. We are doing a study, and we are going to have that study done in about 4 months. And that should lay out some of those answers. I have not seen the analysis yet, but we want to come back to you. And, if nothing else, we will brief you on exactly where we are at with the jetty analysis.

Mr. DEFAZIO. OK, I appreciate that.

You know, Mr. Secretary, I mean I know you have only been there 4 weeks, and some of this preceded you. But again, if you look at these numbers, the estimates are if we fully spent the collected tax and didn't reduce the tax—for the next 5 years, if we spent \$2.5 billion a year on maintenance dredging and jetty work on all our Federal projects, and then \$1.6 to \$1.7 billion over the next 5 years, we could get to authorized depths and be at a state of good repair.

How are we going to do that with half of that money? That is essentially the same question I put to the general, but you talked a little bit about reforms. I mean, you know, I have been here long enough—we used to have Federal dredges. We did studies that showed, in fact, they were more efficient and less expensive than the private dredging companies. But because of political influence—particularly a very powerful Senator from down in that southern area—we pretty much did away with most of the Federal dredges. We have some in reserve, and I have still got them operating in the Northwest.

So how are we going to, you know, deal with that \$20 billion need over the next 10 years with half the money?

Mr. JAMES. Sir, I apologize, but I can't answer—

Mr. DEFAZIO. I know. You have been there 4 weeks. Anyway, I am just putting that to you. So if you will think about that, I would love to chat.

Mr. JAMES. I will think about it, and I will be glad to visit you personally on it.

Mr. DEFAZIO. Great. Here is something else that I know you won't know, but I just want to put this to you, because I have been trying to get the information. This is a regional issue.

Columbia River, we have a treaty that has, you know, expired. We are in the beginning of renegotiation with Canada, and one of the most critical aspects of that is flood control. And I am trying to find out if the Corps has completed—and maybe the general knows, or maybe you—either of you probably don't know, but if you could get it to me—have you completed the modeling of that system? Because it is a critical aspect as we enter into negotiations to know what we need, in terms of flood control.

The whole system has changed so much, with all the Canadian dams, you know, over the last 50 years, that we don't have current data, and our negotiators don't have it at the table, so—and we have to know and plug in flood risk management into this negotiation.

General, do you have any knowledge?

General SEMONITE. I don't know the exact answer on the modeling, I will get that back to you. But we are very, very aggressively working on everything involved with the treaty.

But also we have an EIS [Environmental Impact Statement] we have got to do for the operating system. So all of that is pretty much wrapped up in what are the capabilities there. There are a lot of environmental issues, there are a lot of navigation issues. But that modeling is critical to be able to make sure it can inform both the Columbia Treaty, as well as the EIS.

Mr. DEFAZIO. Yes. Well, the EIS, unfortunately, is due to an overly aggressive Federal judge, who basically adopted the arguments of the plaintiffs and said this is science, when it isn't. And so I understand you have been given—I think it is our fourth time around on this. And we even had marine fisheries and, you know, we had the—all the Federal agencies were agreeing that this was good. And I—but you are stuck with that. But I think the analysis of the flood risk is separate. And if the modeling is done, we need to know what the results are, and we need to get that to our negotiators.

So thank you, Mr. Chairman.

Mr. GRAVES OF LOUISIANA. Thank you, Mr. DeFazio. We are going to Mr. Mast for 5 minutes, the gentleman from Florida and the vice chair of the subcommittee.

Mr. MAST. Thank you, Mr. Chairman.

General, no question the Corps has an excessive amount of authorized water infrastructure projects by Congress. You all, the Corps, you have the technical expertise to complete these projects. Oftentimes the State has allocated their cost share of those expenses, yet there still remains billions of dollars of backlog of projects.

And what I am wondering is another piece of this, that arbitrary quota that gets put on the new starts that can exist out there limits the Army Corps to a select number of new starts each year. Can you speak to does that policy, that new start policy, does that delay the Army Corps from completing some of the water infrastructure projects out there? Is that something we need to look at for reform for you?

General SEMONITE. I think, just from our approach, sir, clearly it is a relatively minor investment to be able to do a study to inform Congress of where can the money be put to the best place. So if, in fact, there is an arbitrary limit that is put on us on studies, then of course we can't do that degree of analysis. So I think that, in honesty, I do think there is a limit in our capability to be able to inform Congress of where best to put the work.

On the other hand, there has probably got to be some degree of guidance. You can't do too many studies, because then we are just going to continue to keep adding. So there is probably a sweet spot

somewhere, and I will let the Secretary or, you know, the administration figure out where that is.

Mr. MAST. So let's jump to that a little bit, those feasibility studies. You know, the readiness of the Corps to conduct these feasibility studies to begin construction projects, you know, oftentimes you have to wait for an appropriation cycle to move to the next phase of what is going on there.

I was listening to your testimony from yesterday, and you literally said, "Our feasibility studies are formulated with the assumption of efficient funding, and most all are multiple-year projects, yet we are budgeted on an annual basis with no assurances that adequate funding will be available from year to year. This creates uncertainty for our non-Federal sponsors, it drives up project costs, and it delays the realization of benefits."

And what I am wondering—is there some reform that can go on in that area, maybe something in terms of development of some sort of revolving fund, where the Corps isn't subject to the fiscal year constraints? It gives you a little bit more flexibility to advance to the next phase of project completion without having to wait for that year over year.

General SEMONITE. I think there is room in almost all of our processes to be able to find ways to streamline and to give us more flexibility. Most of our money is allowed to carry over into another year, and we try to budget efficiently. So I don't have a problem at end of year, having to initially obligate.

But I do think, where we really have challenges a lot of times is when we have a construction project, where we get ready to go through something and every single year has to be revalidated, so that causes us to have a lot of confusion in the contractor base and the stakeholder base. So I think there is a lot of room—and this is what Chairman Graves said—there are a lot of things that we can do to try to somehow streamline some of these processes that have been too bureaucratic.

Mr. MAST. And that is what we want to get to, right? Cheaper, faster, but more efficient, and a great product that you produce. So I thank you for your time, thank you for answering these questions.

I yield back, Mr. Chairman.

Mr. GRAVES OF LOUISIANA. Thank you. So now we are going to go to the gentlewoman, Ms. Frankel, for 5 minutes.

Ms. FRANKEL. Thank you very much. Thank you, gentlemen, for being here.

So maybe a couple years ago I sat in one of these Civil Works review boards, which I guess we don't have any more. But it was—it took, like, a full day. And there were, like, maybe—I don't know, there were a lot of people around the table.

But one of the things that I got—I realized, in listening to all the discussion and the different steps was that a lot of the requirements of the steps were based on laws that the Congress had passed, and requirements.

So I wanted to just ask you. I think one of you testified about impediments, impediments to the process, the authorization process. I would like you to tell me specifically what you see as impedi-

ments that have been created by the Congress, because that is where we could probably help out.

Mr. JAMES. The Chief may speak to this further, ma'am. But as far as I am concerned, there are some. It is not our place or our position to determine which ones are impediments and which ones are still good legislation. But when you go through the entire process that the Corps has to do on a continuing basis, either on a project or future policy, there is legislation, as well as our own internal policies, that affect that. I would be more than happy to talk to you about any of the individual legislation you may be talking about, or in general. I would be happy to talk to you personally.

Ms. FRANKEL. Well, no, I am not—myself, I am not talking—I am asking you because we may have the ability to—you know, you keep talking about changing your processes. I am asking you how does Congress impede your process.

Mr. JAMES. Well, ma'am, I think you would have to point to specific legislative pieces in order to point that out to—

Ms. FRANKEL. OK. Maybe the general can answer that question.

General SEMONITE. Well, ma'am, I mentioned this in my testimony, and I am not sure that any one of those actions was ever specifically to try to slow down, but the cumulative effect of all of those processes has had a significant impact.

And I talked about the 20 things that we work, they are right here on a spreadsheet.

Ms. FRANKEL. Right.

General SEMONITE. We have worked very closely with the administration to say here are some ways that we could continue to be able to make sure we are protecting the environment, we are taking care of water resources, but it allows us to streamline, things like acquisition, long-term contracts, how do we go down through the budgeting process, how can we work through OMB and continue to be able to streamline the processes in OMB. So that is what we want to offer back to you, to help us find ways of helping ourselves.

Ms. FRANKEL. Will that require legislative changes?

General SEMONITE. I think some are, but the vast majority of them are policies. They are things that we can change by changing rules or regulations, but not necessarily law.

Ms. FRANKEL. OK. Well, that is why I am just asking you if you thought we needed to change any of the laws.

OK, I have another—my timer is not working, so I am just—OK. So I have another question for you. Oh, and this is Mr. Shuster's favorite issue, this—yes, the sand. It is the sand.

We are running out of sand in—we have run out of sand in Broward and Dade County. It is gone. And sand is very important, obviously for tourism, but also to protect the shoreline and so forth. So for them to get—I am going to give you an example. A recent Miami-Dade trucking contract was \$8.6 million for 140,000 cubic yards of sand. Now, they could buy sand, foreign sand, at about 50 percent less.

Now, for the Congress, oh, you know, \$8.6 million is considered chump change, but not for local governments. And I just gave you one example. So I tried to change the law. We did, in this committee. We changed the law that would make it easier to buy the

sand from the Bahamas. Incidentally, the sand goes south. I think the sand from Miami went to the Bahamas, anyway, so we are just trying to get it back.

But what happened is, along the way, I am sure—I am just guessing, but I know Mr. Shuster could probably verify this—the truckers got involved in the process, because the language changed and turned what had been language in our bill into a study.

Now, I don't think the study has been done. Has the study been done? I mean it is a stupid study, I don't know why we have to do the study. I am just curious, though. Did we do this stupid study?

General SEMONITE. Ma'am, I am not tracking a study on sand in those two counties. The challenge we have—and this is a national issue—is we continue to spend an awful lot of money on beach re-nourishment, and we are having that same challenge in other places.

So the question is are there innovative ways that we can try to retain that sand so that, if nothing else, we can dredge it from just where it is moving back on. Most of the stuff we do on the east coast is dredging that sand back on the beach.

Ms. FRANKEL. OK, no, that is a different issue. I appreciate that issue, but that is not the issue. The issue is there is language that says if materials are not available from domestic sources for environmental or economic reasons, these local governments can't buy sand, for example, from the Bahamas. And so they are forced to buy sand from the middle of the State in Florida, and it costs them twice as much. All right? So that is the issue. That is a separate issue, until you invent the way to keep the sand on the beaches. They need the sand.

Mr. GRAVES OF LOUISIANA. The gentlewoman's time has expired. General, if you could please provide an answer to the committee in writing, that would be great. Thank you.

I turn to the full committee chairman, Mr. Shuster, for 5 minutes.

Mr. SHUSTER. I am aware of the lady's problem with sand. The study is ongoing. And the ruling is—and you pointed out there—if it is not available, that they can buy foreign sand.

But, you know, when I go to the beach sometimes I get sand in my shoe or other places, and it is just—we got to solve this eventually, because Ms. Frankel is—she can take it to me.

[Laughter.]

Mr. GRAVES OF LOUISIANA. Are you suggesting they use a different material on the beach?

Mr. SHUSTER. No. No, I am not.

[Laughter.]

Mr. SHUSTER. My question is not about sand, but it is about the upper Ohio. The upper Ohio of—I believe the OMB recommended that the project be looked at again for additional economic analysis, even though the first study said it. It is the first time I think I have ever seen the Government say restudy this because there is more economic benefit than you have already pointed out.

So again, usually it is not enough economic benefit. So anyways, the \$5.5 million I think you folks put forth to do the study, can you let me know how it is going? What is the timeline? Are you encoun-

tering any kind of problems that we may be able to help you in the legislation, as you move forward?

General SEMONITE. Chairman, no issues. We were going to do it in 3 years, we are now doing it in 2. We took a year off of it.

Mr. SHUSTER. That is great.

General SEMONITE. We have enough money to be able to complete it. It will be done by summer of 2019.

Mr. SHUSTER. OK, that is great to hear, great news.

Second question is concerning the Raystown Lake. In the 2016 WRDA we directed the Corps to update its master plan to look at alternatives for recreation, to look for the development possibilities. Do we need to have all that land that we have there that is—that could be developed in a county that is a very low-income county?

The lake is a great benefit to them, but it would be of tremendous benefit if they could develop not on the water—I don't want that, I don't think anybody wants that—but, you know, you got a mountain that is 1,000 feet or so rising above it. If you were allowed to build along that ridge line it would be a tremendous economic positive impact.

And I know that—funny how things work around here—that the only Corps lake that I have seen development occur on is in South Dakota, and that is because Senator Daschle put it in some WRDA bill years ago that they could do that. So if it is good enough for South Dakota, it is good enough for central Pennsylvania. So can you let me know where that master plan is, and how it is proceeding?

General SEMONITE. So, Chairman, we are on plan to keep working this. We got money in the 2018 budget, about \$600,000. We want to continue to be able to get it up and done. I don't have an exact date of when it is going to finish, but I will get that back to your staff.

I think the other thing, though, is we are supposed to do these every 10 years, and sometimes we don't have the funds to be able to keep up with that. If we are able to do that in a more routine manner, then we don't need so much time to be able to get—this one is like 25 years old, up in Huntingdon County, so we need to try to figure out how to get this thing up.

Mr. SHUSTER. Right.

General SEMONITE. But we are committed to get this study done as fast as we possibly can.

Mr. SHUSTER. OK. Thank you very much, and I yield back.

Mr. GRAVES OF LOUISIANA. We are going to go to the gentleman from California, Mr. Lowenthal, for, gosh—

Dr. LOWENTHAL. Yes, thank you, Mr. Chairman. I will be very brief in my comments, not like some Members.

[Laughter.]

Dr. LOWENTHAL. General Semonite, Mr. James, I want to follow up on some of the comments and echo some of the comments of Ranking Member DeFazio, when he began to talk about the harbor maintenance fee.

And, you know, the President prides himself as a builder. And you know our country has tremendous needs for infrastructure improvements, especially in our harbors and waterways.

Ports are the center of the 21st-century global supply chain. They enable American manufacturers to reach foreign markets and to facilitate the movement of consumer goods and industrial imports throughout our Nation. They are a vital national asset. But they face new challenges with larger ships, rising container volume, more congestion, both at the gateways and on land.

So in looking at the President's budget and the President's infrastructure proposal, it seems like the administration is trying to cast aside the Federal responsibility for these assets, cutting investments in the improvements that we need to make to grow commerce at our seaports.

You know, last week we held a hearing on revenue options for surface transportation. However, I would like to point out in our harbors we have the revenue, yet the administration doesn't propose to spend it or to use it.

Can you tell me what is the administration's vision for our ports? How do they propose that we meet these challenges of congestion, growth, international trade by not allocating the resources? Can you tell me?

Mr. JAMES. No, sir, I cannot. But I will be glad to meet with you later with staff, and we will discuss this.

Unfortunately, I don't know enough about our ports yet to discuss them intelligently, and I don't want to give you some kind of off-the-cuff answer.

Dr. LOWENTHAL. I—just to refresh—and I am not sure I know the exact names—you know that the harbor maintenance fee, which is really a user fee, or a harbor maintenance tax, which is a—generates, I think, over \$1.6 billion. It goes into a trust fund. The President is only proposing to spend \$900 million of that. We have tremendous needs. We are generating for both dredging and for harbor maintenance. That is what the money is supposed to be used for. And yet I don't understand what the President's vision is, where we are going on that.

So I would appreciate meeting with you and understanding that more. I think it is vitally important because the revenue stream is there. We are not talking about surface transportation, where there is no longer a revenue stream.

Same issue is on the inland waterways fund. I would love to have a response back about what is the vision for the use of the inland waterway.

Mr. JAMES. Yes, sir. Certainly.

Dr. LOWENTHAL. I think that would be appropriate, and I really look forward to our meeting.

Mr. Chairman, I want to ask unanimous consent to enter into the record the executive summary of an Army Corps Civil Works report called "The Ohio River Basin: Formulating Climate Change Mitigation/Adaptation Strategies Through Regional Collaboration with the ORB Alliance"—the Ohio River Basin Alliance. I am the cochair of the Safe Climate Caucus, and I often talk to my community about how we are going to have to adapt to sea level rise and other effects of climate change.

General Semonite, I was struck by how this report detailed the substantial effects we expect from climate change in America's heartland along the Ohio River Basin, from higher stream flows in

the spring to longer, drier droughts in the summer and fall, it seems that these challenges will require substantial investments in the resiliency of our inland waterways, which gets back to that fund.

How is the Corps working to meet these challenges from climate change?

General SEMONITE. I think, sir, the main thing is when we look at a project we have got to be able to predict what is going to be those future conditions. We can't design for today, we have got to be able to make sure we are designing for about 50 years out. And then we have got to build them back in.

So how do we take the effects of weather, how do we take all the things you are talking about, and make sure—

Dr. LOWENTHAL. Climate change specifically, yes.

General SEMONITE. How do we make sure those things are wrapped into a future project, and formulated? And then, how do you do that in an affordable manner?

Dr. LOWENTHAL. So you build resiliency in, knowing that that is really going to be the issue.

General SEMONITE. We always look at alternatives for a bunch of different options. And then, based on the best return back to the taxpayer, we pick the best alternative.

Dr. LOWENTHAL. Thank you, and I yield back.

Mr. GRAVES OF LOUISIANA. Could the gentleman please clarify the author of the summary of the report he wanted in the unanimous consent agreement?

Dr. LOWENTHAL. The author is—it is the Army Corps Civil Works—

Mr. GRAVES OF LOUISIANA. OK, so it is their executive summary.

Dr. LOWENTHAL. It is their executive summary.

Mr. GRAVES OF LOUISIANA. Without objection, the report is—

Dr. LOWENTHAL. Yes.

Mr. GRAVES OF LOUISIANA [continuing]. Included in the record of the hearing.

[The executive summary from the report entitled "The Ohio River Basin: Formulating Climate Change Mitigation/Adaptation Strategies Through Regional Collaboration with the ORB Alliance" is on pages 61–62.]

Mr. GRAVES OF LOUISIANA. Thank you. We are now going to—should we shorten his time? Going to the gentleman from Illinois, Mr. Davis.

Mr. DAVIS. I speak with a slow accent, too. Can I get some extra time?

Mr. GRAVES OF LOUISIANA. They usually just say that you are slow, but—please.

[Laughter.]

Mr. DAVIS. Mr. Chairman, thank you. And R.D., it is great to see you here. I am looking forward to working with you. We have worked together in the past, and I know you are going to do a great job here.

But as you know, I always have some issues that I bring up with the Corps of Engineers. And it wouldn't be a first hearing for you here without me bringing up NESP [Navigation and Ecosystem Sustainability Program]. I think it is unacceptable that the Corps

has taken a position to do another study before even we can get to preconstruction engineering and design. This project, NESP, has been studied, I believe, more than any other Corps project in your agency's history. And to do another economic analysis for a PED to move forward, I think, is a—is something that needs to be rethought.

I want to remind the committee, too, that this was a position that the previous administration took after Congress has already spent nearly \$60 million on preconstruction engineering and design.

We have strong bipartisan support for this, R.D., for NESP, and moving the program forward. So can you commit today to work with me and my colleagues to get the preconstruction engineering design back on track as soon as possible, so that we can get these critical navigation and ecosystem restoration projects to actual construction?

Mr. JAMES. Yes, sir. I will work with you on that. And I would like to know your current thinking, as well as other Members that are concerned about NESP.

My concern about NESP is that neither the environmental concerns nor the navigation concerns can go anywhere until we are funded to the spot that they can both go together. I think that is the way that was authorized. It has been a problem since the very beginning.

At one point the environmental part of it could move, then the other couldn't. At another point the navigation part could move, the environmental couldn't. It almost looks like it was put together that way, I don't know. But I would like to visit with you. And if you have any more people interested in getting together, I would be happy to do that.

Now, the general may shed some light on where we are right now, but I would like to look at that, too. Thank you, Mr. Davis.

Mr. DAVIS. Thank you.

General SEMONITE. I will just keep it short, sir. Bottom line—you know this well—37 locks, these are all about 70 to 80 years old, 1,200 miles of river. If we don't do something soon—I mean we can't keep putting Band-Aids on these.

Mr. DAVIS. That is exactly why I made this point. To do an economic analysis once again, I think, is just overkill. And we have got to move on.

Another issue that I know we are going to work together on, Mr. James, is on Asian carp, Brandon Road. I am working with my colleague, Mr. Mitchell, to find ways to make sure that we continue to reduce the Asian carp population in the Mississippi and Illinois Waterways.

I have a concern, though, that the Corps may be rushing toward an authorization of authorizing a project for \$250 million that actually may be a solution in search of a problem. I had our Illinois Department of Natural Resources director, Wayne Rosenthal, here in DC last week, and he reminded me that, since 2012, the State has reduced Asian carp population in the Dresden Pool below the Brandon Road lock by 93 percent already. So what we are doing seems to be working.

And further, it is the conclusion of the Department of Natural Resources in the State of Illinois that, based on 28 years of scientific monitoring data, there is no indication that the Asian carp population front will move from its current population and its current position. This is evidence to me that we are currently doing something that is working.

That is one of the reasons why I am supportive of the GLRI [Great Lakes Restoration Initiative] funding, which the department uses for these population reduction efforts.

Specifically, Mr. James, I am concerned that, following the Corps' release of the tentatively selected plan, an entity outside the State of Illinois could be chosen as the non-Federal partner for this project. And unfortunately, this, as a possibility, has apparently been alluded to by leadership at your Chicago district office.

Does the Corps have the authority to name a non-Federal partner when the project is completely within the State of Illinois that wouldn't be the State of Illinois?

Mr. JAMES. I visited with the Lieutenant Governor maybe a week or 10 days ago about this very issue. You know, I can't answer that, Mr. Davis. I think that is an issue that the State holds the trump card on.

I have also met with some of the other adjoining States that are really pushing for this, and I wish I could give you a yes or no. General Semonite may have a differing opinion than me, but I don't think we can recognize a sponsor of a Federal project outside of a State boundary. And that is including the earth under the water.

General SEMONITE. And I would concur our analysis is that unless the State wants to be able to share with someone else, there is no authority we have to force an external player to come into a State.

Mr. DAVIS. Well, I appreciate you working with me and my colleagues, like Mr. Mitchell. We all have the same goal, we just want to make sure we do it in a way that addresses Illinois's concerns.

Thank you, and I don't have any time to yield back, Mr. Chairman.

Mr. GRAVES OF LOUISIANA. I think we have heard enough.

[Laughter.]

Mr. GRAVES OF LOUISIANA. I want to thank the gentleman from Illinois. We are going to go to the gentleman from California, the ranking member of the Coast Guard and Maritime Transportation Subcommittee, Mr. Garamendi, for 5 minutes.

Mr. GARAMENDI. Thank you.

Secretary James, welcome. I look forward to working with you. You have got a big job out ahead of you, and it will be a pleasure. I represent the Sacramento Valley, California, 200 miles of the Sacramento River.

General Semonite, thank you so very much for coming to Beale Air Force Base. It was a pleasure meeting with you and working with you there, and I look forward to your good work out ahead.

Like most Members, I have got my own projects. I am going to go through them very quickly. I know that you are aware of them.

Marysville, a city in my district, there is \$35 million in the budget, we appreciate that. There may be more. We can finish this entire project. It has been all on board.

The Sutter Basin, this is the Feather River, the west side of the Feather River, a 40-mile project. There is about 5 miles left to do. We can get it all done. It is ready to go. It does need a new start designation, but it has been underway for a long time.

And the city of Woodland, the lower Cache Creek feasibility study. It was on, it went off because of some local issues. It is now—we want to move it forward. We appreciate your attention to that.

Hamilton City, another project almost completed, making progress on that, \$6 million.

And then we get down to the really interesting questions. You have heard from all of us. We have got our projects, we need our money. Keep in mind that in the infinite wisdom of this legislature, our Congress and the President, we ripped \$1,600,000,000 out of the Federal Treasury over the next 10 years. So you want to know where the money is? It is gone.

And so, when we holler and scream about the Harbor Maintenance Trust Fund and why it is being ripped off to be used for other things, well, there is the reason. There is a huge hole in the Treasury that is being filled by the Harbor Maintenance Trust Fund and by the inland waterways fund, both of which are being ripped off to backfill the hole that we created in our wisdom or lack thereof.

And so we are going to scream and yell about money, but it is all gone. The trillion-and-a-half dollar infrastructure plan that the administration is putting forward, of which \$200 billion is Federal money, that is not new money, that is existing money, some of it coming right out of the Corps of Engineers.

So if we are looking for the devil, it is us. We did it to ourselves. I don't know how we are going to deal with all of this, going forward. The fact of the matter is the money is not there. The \$96 billion of projects already authorized, it is not going to happen until this Congress decides that it is actually going to find new revenue.

So, you know, enough of that.

You have got six principles in your testimony, Mr. James, some of which have profound effect on the way in which the Army Corps of Engineers will operate. I know that you don't have the detail today, but you are going to be under enormous pressure from the administration to carry out the principles in the infrastructure program, of which the six principles in your testimony will radically change how the Army Corps of Engineers operates, not just on the environmental side, but on the operational side. So we have got some challenges out ahead on the policy.

You are not going to be able to respond today. You have been at this less than 3 months—2 months, actually. But I just draw your attention to those six principles. Obviously, I want my projects. Obviously, we all do. Obviously, there is no money for any of this, or for much of it.

But the six principles that you mentioned in your opening testimony have profound effect on all that we do. So I look forward to working with you or perhaps against you as those principles are

enunciated and as they come into legislative reality, or at least before us. I will let it go at that. We both have some enormous challenges out ahead of us. I look forward to working with you.

Welcome. If I can provide you with any information on the Sacramento River I look forward to that. And I am looking forward to what you have offered everybody else, that in-office opportunity to talk.

Mr. JAMES. Thank you, sir. And I will take you up on that. And you know, I am willing to look at those principles and get your opinion on what they would affect. I am trying to affect efficiency and getting down to actually moving dirt. So we will work on that together.

Mr. GARAMENDI. Well, given your many years on the Mississippi River and my work on the Coast Guard maritime, we will be coordinating, as well as on this committee. I look forward to working with you. We do have challenges.

Mr. GRAVES OF LOUISIANA. Thank you, Mr. Garamendi. We are going to go to the gentleman from Texas, Mr. Babin, for 5 minutes.

Dr. BABIN. Yes, sir. Thank you, Mr. Chairman. And thank you, Mr. Secretary and General. Congratulations on your appointment. And I am glad you are where you are. A lot needs fixing at the Corps of Engineers, and I know you have a big job ahead of you.

President Trump has repeatedly said that we need to shorten the permitting process. This is a great concern to me, as well, especially in my district of southeast Texas, from Houston over to Louisiana. I have always had a great relationship with the Galveston District, I served 15 years on the river authority, the LNVA [Lower Neches Valley Authority], and then also had a brother-in-law that worked for the Galveston District for about 25 years, who retired a number of years ago.

But lately we have been getting a lot of complaints about permitting. It just doesn't seem that the Galveston District is adhering to the national standards for performance results. It is my understanding that only 11 permits were approved out of more than 100 pending. I have talked to numerous constituents who were supposed to get an answer in 60 days. It has been more than 180 days. So I have a real concern about that.

On another note, Hurricane Harvey was an unprecedented storm. But now we know there is precedent for a future one. What can I report back to my constituents about lessons learned and actions taken by the Corps to help make sure that this same disaster does not strike if we are hit again next year or 5 years from now?

And also, if you would address the permitting, as well, thank you.

Mr. JAMES. Thank you, sir. And thank you for the welcome. I have a priority on my desk of working with the general on the permitting process actually in shop, in his command. He is already working on that. I have a task force I established, and we are going to work on it and—from a different perspective, and hope we together reach a good end for everybody. I have been familiar with it and impacted by the permitting process for years, myself.

Dr. BABIN. Right. I am sure so.

OK, and then you have heard a lot of constructive criticism today, but I want to talk to you about an issue that I believe the

Corps actually does get right. But it is in another sector of our Government that, unfortunately, does not.

As you know, when determining benefit-to-cost ratios, or BCRs, the Corps of Engineers calculates an unquestionable economic value of a project that is in the energy export supply chain. This is called a section 6009 value add.

Unfortunately, as I see it, not everyone in our Government does the arithmetic the same way. Namely, the OMB. This means that for projects like my Cedar Bayou project terminal in my district, in Baytown, Texas, the value you assign is five to one. But OMB's is less than two to one.

And a discussion for another day, Congress has yielded most of its specific spending authority to the administration, and this office in particular. So, unfortunately, the decision of OMB is pretty much how things will stand, and it has been several years we have been trying to get this project off the ground.

Can you explain a little bit why the Corps makes these common-sense calculations on section 6009? And can I get your commitment to explain to officials at OMB why they should do the same thing?

Mr. JAMES. I can explain the first. I cannot commit to trying to get OMB to do anything. Now, I have already met with OMB once. I have met with the Secretary of Agriculture once. And I have meetings planned for EPA and the Department of the Interior—basically, the U.S. Fish and Wildlife Service. As far as OMB, I am working with them, trying to get them to understand better where our benefit-cost ratios are coming from, and how we are prioritizing projects with the limited funding we have available.

And you know, they have the decision. They are the Office of Management and Budget, and they have had that job under every administration that I have witnessed. And so it is not a change. But I do think there is a glimmer of hope that we will be able to explain our positions maybe more than there have been in the past.

Dr. BABIN. OK. You never addressed my storm question, either, but that is OK. I am out of time. And so I will yield back.

Mr. JAMES. I will be glad to meet with you on it.

Dr. BABIN. OK, thank you.

Mr. GRAVES OF LOUISIANA. I thank the gentleman from Texas. We are now going to go to the honorable acting ranking member, Mrs. Lawrence, for 5 minutes.

Mrs. LAWRENCE. I just wanted to hit the gavel.

[Laughter.]

Mrs. LAWRENCE. My question to Lieutenant General, with the development and maintenance of our water systems and infrastructure, the need for skilled trades has drastically increased, because we will and we shall invest in our water infrastructure.

Even now, more than 8,300 skilled trade job openings are across all industries in Michigan, and more than 6,200 are expected to be available each year through 2022. This creates an issue that must be included when you are planning and navigating in your job.

As the cochair of the Congressional Skilled American Workforce Caucus and advocate for skilled trades, I am very concerned about the skill gap facing our country.

Lieutenant General, what do you think the administration should do to increase the number of skilled trade workers, given

our country's mass infrastructure needs, especially when States like Michigan will not be able to meet their labor needs?

General SEMONITE. So, ma'am, I share your concern. This goes to a much bigger question. It goes back to not just skilled trades, but also having the same thing with STEM when it comes to engineering, the capability to be able to make sure we have the capacity to be able to do this.

I have not thought through how the Nation should solve this issue. I stay in my lane and I worry about making sure we have got the capability in the Corps. I would love to be able to take it on, but I am looking for innovative ways now of bringing people in. I have a hard time hiring people because of the challenges we have of going through the hiring process. I would love to be able to—I find somebody to apprentice—I would love to do direct hires so I can go down to an apprentice or a local co-op and to be able to bring them in.

The average right now is over 100 days to be able to hire an employee. We just can't do—that goes back to this thing about process. How can we find better ways of being able to change some of the policies to be able to bring people on board?

It is a concern, though, without a doubt.

Mrs. LAWRENCE. Lieutenant General, you said something that is extremely important: staying in your lane. This issue of skilled trades has risen to a point that we are bordering on a future crisis. And we are going to have to be able to work across our lanes because the education, the employment—and actually the Corps should have an internal system to develop, recruit, and develop, and not just think that we are going to be able to pull in skilled workers. So I am going to be pushing for that.

I want to pose a question about water affordability. I represent the city of Detroit. And there is a growing issue because of the cost of infrastructure in communities with the affordability of water. I am from Flint, Michigan. I am very, very sensitive about the infrastructure of water.

As our systems continue to crumble, especially in our large, urban areas—in Detroit, over 90,000 residents, which is 14 percent of the population, are not or cannot afford to pay their utility bills. This is due because, in order to maintain the system, there is an increasing cost just for drinkable water.

I know you keep saying, your honor, that you have only been in the job a short period, and I recognize that. But that must be on your agenda. You must be extremely aware and sensitive to the fact that affordability of safe drinking water must be on the agenda for the Corps. And I would like for you to comment.

Mr. JAMES. Yes, ma'am, and I agree with you 100 percent. And that is not just in your area, that is all over the United States. We are seeing it in areas that you would think have plenty of water. And yet, for fresh drinking water, that is not the case.

That is not under the Corps' purview, water supply. It is added at times. And I am not sure that we shouldn't be looking at it as a Nation. But that is my feeling. Fresh drinking water is—you know, it is—our first job is to protect the people, provide for the people, and fresh drinking water is number one, when you come to that.

Mrs. LAWRENCE. It is a necessity for human life.

Mr. JAMES. It is.

Mrs. LAWRENCE. And it must be a priority.

Mr. JAMES. It is.

Mrs. LAWRENCE. Thank you.

I yield back, Mr. Chairman.

Mr. GRAVES OF LOUISIANA. Thank you. We are now going to Mr. Mitchell for 5 minutes.

Mr. MITCHELL. Thank you, Mr. Chair, and thank you for allowing me to participate in the hearing, sir.

Unfortunately, my colleague from Illinois left. I am well aware that the State of Illinois has a different perspective on the Brandon Road question than we do, than the rest of the Great Lakes do. I would ask the State of Illinois if they would indemnify the Great Lakes States, should Asian carp get into Great Lakes, but we know that is not—they can't afford that. They have enough problems. I would ask my colleague, but I don't think he wants that bill.

So I would urge the Army Corps to continue to look at the Brandon Road, continue to look at how to implement that. Because while they contend that Asian carp are down to 93 percent of what they were, it only takes a few to create a major crisis in the Great Lakes. And I continue to urge the Army Corps to move forward. And, if need be, we will wrestle with the State of Illinois, and it will be fun.

And another project I wanted to ask you a question about, General, is, as you both know, there is an economic evaluation report in progress for the Soo locks. Can you tell me what the current status of that report is?

General SEMONITE. So, sir, we have been pushing hard to be able to continue to bring this to the left. Right now I talked to the district commander. They are in the final throes of recalculating what that looks like. I will see that in another month or so. And then it is our goal to try to get that in so that, if there is a WRDA, we can certainly have that eligible for WRDA.

We are using a date roughly the order of magnitude around June to be able to get things into the committee, and I think that is what we would be looking at.

I think there is another discussion we have to have, as well, on the value of Soo locks to national security. And do we, in fact, have to hang Soo locks on a benefit-cost ratio, or is that a project that has so much more value that perhaps there is another way that the committee can look at authorizing that.

Mr. MITCHELL. Well, I would agree. When the report is done right around June, will you release that to the public at the same time, do you believe?

General SEMONITE. I think so, sir.

Mr. MITCHELL. OK. It is my understanding, for a project to move forward, if you just look at economic value, it needs a cost-benefit ratio of one. Is that correct? At least one or greater?

General SEMONITE. For me to sign a Chief's Report, it is a benefit ratio of 1.0 at the current interest rate, which is about 2.35, I think they use—

Mr. MITCHELL. Right.

General SEMONITE [continuing]. Or whatever it is.

Mr. MITCHELL. One of the problems I understand in economic analysis is they don't consider what they call tertiary factors. Those include people losing their jobs. The estimate, which most people agree on, is about 11 million people, Americans, will lose their jobs within the first 90 days, should the Poe lock go down.

Back to national security, back to economic rationality, I went to school in economics and public policy. The idea that you don't consider job loss and economic impact on this country as part of evaluating the economic value of something like this, does that make any sense to you?

General SEMONITE. Sir, on all the projects we do there are always a lot of stakeholders that want to add additional analysis in there. I think, in fairness, we have a set of authorities that we normally follow on what can be included and what can't. I am not necessarily sure whether job loss is one of those, but I think it is something we have got to be aware of. But I am not sure that we can add it into the calculus.

Mr. MITCHELL. Well, it is my understanding that job loss, as a tertiary item, is not in that one-to-one economic calculus. I have had pretty extensive conversations about that. And while I understand the idea that stakeholders have a variety of positions on it, the reality is these are people working in this country. They are the people that vote for all of us here. They vote for us so we can actually provide money to the Army Corps to do what they need to do. So I think they fall in a different category than some interest group, frankly.

So I could not encourage more the Army Corps—it is not just this project. I just look at the projects in the country. We need to look at the economic impact of those, in terms of the impact on individuals to—will people lose their jobs if you don't do it? How many people are going to be impacted? To say that is not part of the economic analysis is, to be honest with you, a pretty astonishing thing, to me, I have found.

What is the next step after your economic analysis, sir?

General SEMONITE. So then we will, obviously, see where it competes in the budget. And if, in fact, it competes well, then we continue to drive on.

So, we are very aggressive on the Soo locks. I personally was there about 2 months ago. I know the Secretary is going, and it is something that we think is very, very valuable. And we can talk all day about security, especially with the Department of Defense. This goes back to steel, it goes back to other things, when it comes to what the Department of Defense needs in time of war to be able to make sure we have the right degree of iron ore to be able to take care of our country.

Mr. MITCHELL. Well, and you are right. On the national security front, it is not just a time of war. The ability to supply iron ore and various other things for the defense contractors to build what they are currently building just to make this country safe is jeopardized.

Can you real briefly, as I am running out of time, outline a couple of the national security concerns you see with not having a second lock?

General SEMONITE. Well, I think it really goes back to what our Nation would need to be able to mobilize very, very quickly. And

if you don't have that capability coming in, you are just going to have to find what we talked about earlier. You are going to have to find another way of moving iron ore around through the lock, and that is very expensive, and it takes a lot of time.

Mr. MITCHELL. That infrastructure doesn't exist right now, either.

General SEMONITE. Exactly right.

Mr. MITCHELL. Rail lines to move around the Soo locks was between \$6 and \$10 billion, and the cost to put in a new lock is estimated at what?

General SEMONITE. I am not sure of the number, sir.

Mr. MITCHELL. OK.

General SEMONITE. It is a large number, without a doubt. I can get it to you, it is in the book.

Mr. MITCHELL. I appreciate it.

General SEMONITE. I will see you afterward, and I will tell you the number in about a half an hour.

Mr. MITCHELL. Well, my time is expired, and I appreciate the—thank you, sir.

Mr. GRAVES OF LOUISIANA. Thank you, Mr. Mitchell. I am going to turn to the gentlewoman from Illinois, Mrs. Bustos.

Mrs. BUSTOS. All right. Thank you, Chairman Graves and Congresswoman Esty, and thanks to the Army Corps for being here today.

My congressional district covers the entire northwestern region of the State of Illinois. So the entire western border of my district and, of course, the State of Illinois is the Mississippi River, and then we have the Illinois River that runs through the southern part of my district. So I just want you to understand where I am coming from.

And I know that people from throughout my congressional district would line up and talk with you about how the locks and dams have outlived their usefulness. I mean you understand this.

Our inland waterway system moves more than 600 million tons of cargo each year. But because of the outdated infrastructure, nearly half of the shippers are experiencing delays. Again, I know I am not telling you anything you don't know.

The fix-as-fail approach of the locks and dams puts our growers and our manufacturers and the navigation industry into a guessing game as to whether they are going to be able to deliver their goods on time. And Assistant Secretary James, I know that, as a farmer, that you understand this. And I am really happy to have you at the Corps. I love that you have that background.

Also, I know that my colleague from Illinois, Congressman Davis, brought up NESP. And that both the navigation and environmental aspects of the program are critical to his district, my district, to our State, to our region. So I do really appreciate your commitment and also would appreciate being able to work with you, and just wanted to let you know I am somebody who you can work with on that program.

So let me get to my questions. The President's fiscal year 2019 budget request proposed a new user fee on commercial barge owners operating on the inland waterway system. This fee would be on top of the current diesel fuel tax that was just raised in 2014.

At the same time, the budget fails to spend the money that users have already paid into the Inland Waterway Trust Fund. So I am wondering what the administration's reasoning is behind imposing a new user fee, while failing to reinvest the full money users have already paid to improve our locks and dam system.

And, Mr. James, maybe you could start with that, please.

Mr. JAMES. Yes, ma'am. Thank you very much.

Mrs. BUSTOS. Thank you.

Mr. JAMES. Thank you for the welcome.

Mrs. BUSTOS. Yes.

Mr. JAMES. The increased fee is to prepare for infrastructure investment in the inland waterway system over the next 10 years. I know we have a balance in there right now, and I do know that the navigation industry heartily agreed to the 29 cents. I can't honestly say what they think about the additional fee. I haven't talked to them about that.

But that is why we have asked to put on that additional fee, to try to build up a coffer so that when we do get the money through the regular funding process, we can move out on these antiquated locks and dams.

Mrs. BUSTOS. Lieutenant General, anything you would like to—

Mr. JAMES. It wouldn't be my way of doing things, those trust funds. But that is the way they are.

General SEMONITE. I think the Secretary has got it, ma'am.

Mrs. BUSTOS. OK. Now, is there an economic analysis that you could provide that would evaluate the impact of a user fee on the commercial barge industry to help them understand, to help us understand what that would do to the cost of goods being shipped along our rivers?

Mr. JAMES. I haven't seen anything like that in writing. The staff will look at that, and if I can find something, I will sure get it to you.

Mrs. BUSTOS. OK, that would be helpful. We would just like to have a deeper understanding of what that would look like, if you don't mind.

Mr. JAMES. Yes, ma'am.

Mrs. BUSTOS. With my remaining 1 minute and 20 seconds, so we have an \$8.7 billion backlog of inland waterway projects. So when the President gave a speech about our locks and dams last summer, on the Ohio River I had hoped to see a plan for real investment in infrastructure.

Unfortunately, there hasn't been additional Federal investment in the locks and dams plan. And with no new starts included in the budget, and so many of our locks and dams far past their design life, as we have just brought up, what is the administration's plan for addressing the need to upgrade our locks and dams? If you could get into that, either one of you.

Mr. JAMES. Ma'am, I can't address that at this time. I guess I would say I don't know the position right now. That is basically a pretty deep policy position, and honestly, I haven't been here long enough to get into that.

If I can determine that, I will get to you with it as soon as possible.

Mrs. BUSTOS. OK. And we would love to have a deeper conversation after you have had a chance to get settled in a little bit. And Lieutenant General, is there anything that you might be able to offer on that?

General SEMONITE. I would just say, ma'am, the most important thing we can do is, from an engineering perspective, make sure that Congress and the administration understand the risk if, in fact, you don't invest in infrastructure.

Mrs. BUSTOS. That is a great point. That is a great point.

All right. I am out of time, and I just want to thank you both for answering my questions. I appreciate it.

With that, I yield back, Mr. Chairman.

Mr. GRAVES OF LOUISIANA. Thank you. We are going to go to the gentleman from Kentucky, Mr. Massie.

Mr. MASSIE. Thank you, Mr. Chairman. I would like to note that my colleagues have asked a lot of dam questions today, but nobody has asked the dam question I care about.

I wanted to ask about Olmsted and lock 53. The whole series of dams works together, and so, even though this project is not in my district, it matters to everybody, really, in the eastern part of the country. We had some intermittent problems with lock 53. And so everybody is anxiously awaiting seeing Olmsted come online, at least enough to ameliorate the issues at lock 53.

Could you tell us where we are on the schedule of seeing that?

General SEMONITE. Sir, we are doing great on Olmsted. It will all be done this summer. At some point we want to invite everybody out there. We will have some type of a ceremony and be able to make sure that we recognize that.

I think, just because you brought it up, this is where, if you do things in a deliberate manner with full, efficient funding, then we can get things done the right way. So this is where we had the capability, did it in a period of time. I am sure everybody would like to have gone faster. There are other locks or dams right now that we are dribbling money at, which, instead of doing it in an efficient way, which could be 3 or 4 years, we are doing it over 15 or 20 years. And as a result, it just gets to be very, very inefficient, and very, very expensive.

But Olmsted is a success story of how to be able to effectively fund a project.

Mr. MASSIE. Well, we can ring the bell when it is working. I think we have had a few times in Congress—not that particular project—where we celebrate a victory too early. But when it is working, I will be glad to help cut the ribbon. Until it is working, don't bother inviting me to the ribbon cutting.

Mr. James, welcome on board. Congratulations on your nomination. I was looking through your history here and I saw that you are an alumnus of University of Kentucky. Congratulations. That is not my alma mater, but we are awfully proud of it in Kentucky.

Mr. JAMES. Well, we all couldn't get in there, sir.

[Laughter.]

Mr. MASSIE. Yes. Some of us had to settle for MIT.

[Laughter.]

Mr. MASSIE. I wanted to ask you about the President's initiative here, following up on Mrs. Bustos's questions and concerns. And I

know you have only been in the hot seat for a few weeks, but some of us were left sort of scratching our head more at what the proposal for the user fees didn't say than what it did say.

I don't think that the users of the inland waterways are excited about paying a new fee after having voluntarily agreed to an increase in the fee they pay. You know, one thing I would like to note. The harbors and the inland waterways are similar in that the recreational folks get a free ride, if you will. But the inland waterways also have some other users, like the hydroelectric dams and many municipal water supplies who benefit from the inland waterways. So there is not a whole lot of excitement for paying more fees from the one user that does pay the fee.

But one thing that I did want to ask about before I run out of time is P3s [public-private partnerships] were put forward in the President's plan as a way to maybe facilitate more investment in infrastructure. But a concern that I have and a lot of folks share is who would the investors of these P3s be. Would these be Wall Street banks, sovereign funds, foreign national companies? And is it wise to let foreign countries have ownership of such a strategic and important part of our infrastructure that plays a role not just in transportation, but also water supply?

I am going to ask you, Mr. James.

Mr. JAMES. Well, I have a concern about those, as well. My concern is that the areas of the country that don't have buyers, whoever they are, to help furnish money for projects may be left out under that scenario.

Now, the President, I was very happy to see that in his proposal he has funding for rural America cut out of there as a slice—a pretty good slice—of his proposed funding for the infrastructure initiative.

So you know, to answer your question directly, I don't think I can. I have no idea of the planning, that initiative has not trickled down to my level. And so I really can't answer your question.

Mr. MASSIE. Well, let me just close by thanking you, General Semonite, for the attention to Olmsted. We are very appreciative of the action that has been taken on that, and understand that it requires funding to pay for it.

And Mr. James, I look forward to working with you, and just ask that the users who are going to pay the fees be included in the discussion about any alternate ways of paying those fees.

Thank you, and I yield back.

Mr. GRAVES OF LOUISIANA. Thank you. We can go to the gentleman from Texas, Ms. Eddie Bernice Johnson, for 5 minutes.

Ms. JOHNSON. Thank you very much, Mr. Chairman and Ranking Member, for holding the hearing. And let me again acknowledge and welcome our witnesses, and say that one of the President's infrastructure legislative principles includes the Federal divestiture of assets. And I understand that we are seeking new and creative ways to fund infrastructure projects.

However, what we don't want is to sell off our assets to simply the highest bidders, regardless of the entity's ability to efficiently and effectively manage those assets for the public good.

I am from Dallas, Texas. It is the inland part of the State, where we have to build and supply our own water. And I believe that the

State and local governments are best equipped to understand and utilize these assets that the Federal Government is looking to divest itself from the responsibility.

But in this context of Federal divestiture, has the Corps considered a right of first refusal for State and local government entities?

Mr. JAMES. On the particular projects, ma'am, no. I think the way I have read what is out there at this time is that State and local governments plus any other entity could get in on that plan, as far as purchasing.

Ms. JOHNSON. Well, as this consideration goes forward, I would like very much to get your commitment that you will first consider the impact on local communities, because Texas relies heavily on its inland waterways for the movement of goods and throughout the gulf. In fact, just this week the Corps outlined its plan to modernize the Gulf Intracoastal Waterway at the Brazos River flood gates and the Colorado River locks.

However, the President's budget request proposes some alarming changes to the Inland Waterway Trust Fund that could impact the cost of goods for shipment along the inland system, such as the Gulf Intracoastal Waterway. Even more alarming is the President's push to privatize segments of the inland waterways system.

I would like if you would elaborate on the rationale behind this push to privatize certain projects along these inland waterways, and then how it might impact existing projects such as the Gulf Intracoastal Waterway project in Texas.

It is unique that an inland city is one of the largest trade cities in the country. And so we depend a lot on transporting by waterways, both the ports at Houston, as well as Long Beach. And we have some real concerns about the waterways and how they are being managed.

Mr. JAMES. I understand and I sympathize with your concerns. But at this time I would like to visit with you on that as I get more information, due to the fact that I haven't been here very long, and I apologize for that. But as I get the information and digest the information, get some briefing on the information, I would like to visit with you further on this subject.

Ms. JOHNSON. OK. Well, thank you very much. We have had great working relationships with the Corps. We want to continue that. And I appreciate your willingness to get back with me.

In 2017, Hurricane Harvey brought the greatest amount of waterfall ever recorded in the lower 48 States, due to a single storm in Texas. In what ways does the President's budget request help to not only meet our current water-related infrastructure needs, but also to build these projects more durably, because we know that resilience is going to be very important for the future.

General SEMONITE. So, ma'am, let me take that. I think the most important way is not necessarily in this year's budget, but it is in the supplemental, the disaster supplemental that was passed. We got \$17.4 billion from Congress to be able to invest. And there was a very specific lay-down of where that money should go. But most of that money would go into the areas that were affected by Harvey, Irma, and Maria.

So that is where we are really going to be able to look at the resiliency. How do we come back in? So some of that—we will have

to look at studies, there are a lot of different engineering solutions. But as we continue to put that portfolio together, we will bring it back up and then make sure that everybody is informed as to where that investment is going to go.

Ms. JOHNSON. Thank you very much, and thank you, Mr. Chairman.

Mr. GRAVES OF LOUISIANA. I thank the gentlewoman from Texas. We are going to go to the gentleman from Florida, Mr. Webster, for 5 minutes.

Mr. WEBSTER. Thank you, Mr. Chair.

Lieutenant General, I have a question about the—there was a backlog prevention provision in the last WRDA bill, and I assumed that that would mean that there would be deauthorizations of some sort. Is there an ongoing list? Are you working on that? Is that happening?

General SEMONITE. Yes, sir. We have the list—I have got it right here—of exactly where we are trying to deauthorize. Also, some of this is where we are getting disposition to get rid of things that we don't need any more. So we can—

Mr. WEBSTER. Is there a dollar amount associated with that, or an ongoing—or a dollar amount that—

General SEMONITE. I don't think it is that—I have got dollar amounts for every single project. We can certainly lay this out for you, exactly where you want to ask. But I have got probably a 20-page list here of different items that are in there.

Mr. WEBSTER. Is it growing or is it done?

General SEMONITE. No, I think it is—there is a dollar number. I am looking at a deauthorization list of \$1.48 billion. And I think sometimes things get added, sometimes they come out. I think it is probably continuing to get smaller. But let me verify and come back with you on that.

Mr. WEBSTER. Well, print it out before it gets smaller, maybe we could stop the going down.

But is there a provision or anything to make a report to Congress on those?

General SEMONITE. This is an annual list. I think we provide it every single year. Some of this is where the locals—the sponsor doesn't have the funds, or something changes on the local side. So you authorize us to go on with a project, but the conditions are not necessarily set to go.

So then they just hang on the list. And several people have talked about the \$95 billion. If there are places that are not good investments, where we can make that list smaller, we certainly want to do that.

Mr. WEBSTER. Right. So you don't make a periodic list and give it to the Congress?

General SEMONITE. It is my understanding we provide this list every year.

Mr. WEBSTER. You do.

General SEMONITE. And if you need to, I will make a photocopy and get you the list in a couple days.

Mr. WEBSTER. I would love to have it.

General SEMONITE. OK.

Mr. WEBSTER. Thank you. I yield back.

Mr. GRAVES OF LOUISIANA. Thank you, Mr. Webster. I next go to the gentlewoman from Connecticut, Ms. Esty, for 5 minutes.

Ms. ESTY. Well, thank you very much. Welcome, Mr. Secretary, welcome and thank you, Lieutenant General. We appreciate you being here all the way to the bitter end with those of us that are left here today.

I wanted to let you know about and will certainly share with your staff, John Katko, who is not able to be with us here today, he and I co-lead a group of 24 Democrats and 24 Republicans called the Problem Solvers Group with a study on infrastructure. And water projects were an important part of that. And one of those pieces was about the need for us to adhere to taking dedicated funds—in this case the Harbor Maintenance Trust Fund—and ensuring it is spent for the purpose for which it is collected. This is important for several reasons.

Number one, we actually have needs that are not being met. And our failure to meet those needs in U.S. ports is leading to a loss of business, to China and to Mexico, that endangers our national security by having more overland traffic, in particular coming up through Mexico, which leads, in my district, to issues with opioids, illegal guns, and other issues.

So it has a national security component when we don't properly dredge our ports to a level that they can actually accommodate these larger ships. So it has real-world consequences, not just for the jobs which are important in those districts, but it has national security and health consequences for Americans. So I think we need to keep that in mind.

And there is a broader question of the faith and trust of the American people. You know, people are willing to pay for gas tax and other things when they see their roads getting fixed. Shippers are willing to accept these fees. But when they don't see it being put to the use for which it is collected, then that undermines the faith of the American people, and their willingness to support the projects that you know are needed and that we know are needed.

So I think it is very important, and I hope you will help us be advocates for respecting what those funds are used for. And so I just want to put that out there, because I think it is broader than just the issue, the important issue, of us not having adequately funded. It is also this question about the trust of people from whom we collect fees. And if we don't do that, we lose our ability to fund—pretty much all infrastructure is funded on that basis. And when we underfund some areas like the Highway Trust Fund and take out of the general fund, and when we raid from the Harbor Maintenance Trust Fund to put into the general fund, we are undercutting those core principles.

So I—that is really more of a statement than any question, but I hope you know how seriously we take this, and I think there is a growing number of Members on both sides of the aisle, a lot of them in this committee, that are going to be fierce about defending that, and want you to know that, and your assistance in doing this, which I think has broader implications for the United States.

I met yesterday with the National League of Cities, and they were in Washington to meet with Members of Congress, but also to launch and announce their commitment to a set of principles

around resilient infrastructure, several things that are relevant for us in this room today.

Number one, their focus is on flooding. These are mayors of big and small cities, Democrats and Republicans from all over the country. And all of them are struggling with and worried about flooding. They are worried about property loss, they are worried about loss of life. And there are vigorous debates—and, actually, Eddie Bernice Johnson and I, we're bouncing back and forth between the Committee on Science, Space, and Technology and this committee, we can have the debates all day long about whether there is climate change and what is causing it, but you ask any mayor who is dealing with flooding, you ask the mayor of Meriden, Connecticut, in my district, my next-door city, they will say they don't care what the explanation is; they know it is happening. And it floods out the middle of their city, and has done it for decades, and it is getting worse.

So I think it is going to be important. And they called on the need for actual funding and said it cannot be—and several of my colleagues have mentioned this. You know, Wall Street is not going to pay to deal with flooding projects in Meriden, Connecticut. And so I can tell you—and I will share with you the big city and small city mayors across this country who are looking to this committee, looking to the administration, and looking to the Corps to help them with dealing with these flooding problems, which have gotten worse because we haven't dealt with them, and now we have climate issues such as 50 inches of rainfall falling in Houston.

The last piece to flag for you is the need to use new and resilient materials and better planning processes. This is part of what the National League of Cities called for, but it is also part of our bipartisan proposal. So again I would like to follow up, but I see my time is already expired. But you should know there is intense interest at all levels of Government, bipartisan, for incorporation of new materials, better research, and better planning, so that we are making better use of taxpayer dollars on all of these, and would like to work closely with you.

And I see, Lieutenant General, you are nodding your head vigorously, because you know this is something we need to fix together.

Thank you, and I have nothing to yield back.

Mr. GRAVES OF LOUISIANA. Thank you. Let the record reflect he was nodding his head vigorously, so—

[Laughter.]

Ms. ESTY. Exactly, he was. Indeed, I wasn't just saying that.

Mr. GRAVES OF LOUISIANA. Thank you. We are going to go to the gentleman from South Carolina, who I want to thank for hosting us on a good trip to Charleston to see what is going on with the port over there.

Mr. Sanford, for 5 minutes.

Mr. SANFORD. Yes, sir. Mr. Chairman, since you bring up the port in Charleston, I will speak on the port in Charleston.

As you all well know, it has kicked off the deepening project. The chairman was kind enough to come down and give it a direct look, and I appreciate his time in doing so.

As you furthermore know, it is the first project to go through the SMART [Specific, Measurable, Attainable, Risk Informed, Timely]

planning process, and then, by extension, to enter into the advanced project agreement. And inasmuch as the administration has signaled its desire to move into more on the way of public-private partnerships, and inasmuch as Charleston has been rather innovative on that front, I would, one, be curious at sort of a 30,000-foot level to get your take on what is indeed being done to enhance the odds of more projects being done, as was done in Charleston.

But two, there is a downside to what happened here. And if you look at the benefit-cost ratio, in essence Charleston will be penalized for the amount of State money that has gone into the project.

And so, the formula, as you look at updating things, I think needs to be updated so that other ports, whether it is—well, not Georgia, but other places other than Georgia, are not penalized in the process. Because if, in fairness, a local port is able to work with leaders in the State and come up with substantial funds, I don't think you want to be penalizing that process as we try and expedite more throughput to get to the \$95 or \$100 billion that is outstanding.

Thoughts on both of those fronts?

Mr. JAMES. Since I am not really familiar with how Charleston got from where it was to where it is, it is already being constructed, I am going to turn that—

Mr. SANFORD. Yes, sir?

General SEMONITE. So, sir, I was the division commander when we started that process, and I was there 3 years. I was down there last week when we did the first dig. A great project.

I think what the Corps has done—and I don't think you heard the beginning of my statement, but we have proposed a lot of different options to the administration on how to look at benefit-cost ratio. There is another formula called remaining benefit-cost ratio. Some of these have got to be justified every single year.

So we are trying to propose some good, innovative solutions to try to both incentivize people to be able to step up and put money in. But at the same time we have got to be cautious because, as the Secretary said, there are some areas where you might not find someone with those funds. You don't want to necessarily penalize somebody else. So how do we find that balance? And those are some of the things the Corps is looking at recommending back to the administration.

Mr. SANFORD. Could you expand on that, though? I mean, in other words, because that gray area that we are talking about between, well, you don't want to penalize entities or places that wouldn't necessarily have those funds, but you do want to reward places that are innovative that do provide those funds.

That gray area is ultimately what we are getting at, because, I mean, one could argue South Carolina is a relatively poor State, compared to a State like, let's say, Connecticut, on a per capita basis. They mustered pretty deep to come up with a couple hundred million and change, the number that they came up with.

I mean it could be arguable that South Carolina is—again, on a per capita basis, relative to the rest of the Nation, not as well off. And therefore, they didn't have the money, but they came up with it because they said it is an absolute priority. How do we better, again, reward States or entities that do so?

General SEMONITE. So I will keep this very short, sir, but the bottom line is, on the benefit-cost ratio, if in fact somebody puts additional funds in above their share, then in fact, should the Federal Government approve that those dollars should come off of the Federal share, to a degree.

And then you can recalculate that particular one. That is not the way the current system works. Especially with not necessarily OMB, but as to how is it scored, as it goes through its way in the process.

Mr. SANFORD. So, indirectly, it hurts a place like Charleston, currently.

General SEMONITE. These are things we are trying to recommend; some solutions on how to do this in an effort to be able to solicit the more incentivized funds coming in. I think it is right in line with where the administration is trying to go.

As several people have said, we can't afford \$95 billion of projects, so how do you find other people to bring that money to the table, and then incentivize them to do that?

Mr. SANFORD. And I would just close it out with I think that Charleston, at least to a degree, shows the way there. And I would just hope that, as we move forward with the project, that Charleston is not again penalized for what it did, in terms of local equity on that front.

With that I would yield back, Mr. Chairman, thank you.

Mr. GRAVES OF LOUISIANA. Thank you. Thank you, Mr. Sanford. And I want to give a shout-out to Mr. Woodall for accommodating some complexity in the schedule. Thank you very much.

Mr. Secretary—excuse me—Mr. Secretary, General, as you know, this hearing is related to the six Chief's Reports and the PACR [Post-Authorization Change Report] that had been issued since our last WRDA bill, the one enacted in 2016. Could you just briefly discuss any opposition to the Chief's Reports, the PACR that have been issued? Any concerns that have been raised?

General SEMONITE. Sir, I personally signed all those, Chairman. I don't know of any specific issues. In any type of a project there are going to be different opinions, especially maybe an environmental opinion or perhaps different ways that they should have been formulated. But I think those are very, very solid projects, which are good investments to the Nation.

I want to continue to also let you know that, between now and June—if, in fact, June is a potential cut-off—I expect to sign five more. And I also expect to be able to bring two more PACRs in. And we will give you that list, so you have that. In total—

Mr. GRAVES OF LOUISIANA. Please.

General SEMONITE [continuing]. For the rest of the fiscal year, we see 11 more Chief's Reports coming. So it depends on when the cut-off is, Chairman, of when you have got to be able to do that. But we are trying to get those as fast as we can. But I see 11 more this fiscal year, 5 by the end of June. There are some disposition studies, as well, we are going to owe you. So that way we can take some things off the books.

Mr. GRAVES OF LOUISIANA. Great, thank you. And this isn't a leading question. Is it appropriate to say that the non-Federal

sponsors in all cases of the six plus the PACR are on board with the reports?

General SEMONITE. Exactly right, Chairman.

Mr. GRAVES OF LOUISIANA. Great, thank you. General, we also have some projects that are moving through the process under the section 203 authority. Could you lay out sort of how you see that evolving, and how that would be incorporated into the authorization process?

General SEMONITE. I will try to do this quickly. We can give you more detail. We think there is merit in the section 203. A good example is the State of Florida right now wants to be able to push a section 203 on an Everglades project. Initially, we went through with generic guidance to try to hit all section 203s. And unfortunately, just one size doesn't fit all. And we couldn't do it that way.

So now we have very specific guidance. We want to be able to partner with whatever that entity is that is going to do the section 203. Because, at the end of the day, we want to make sure this is a good investment for the taxpayers, so then we are coaching and mentoring to a degree that entity to be able to continue to bring that section 203 back in. And we think that is working very aggressively. We are doing as much as we can possibly do to be able to make sure that the integrity and the engineering is in that section 203. Then the Secretary gets it, he will make those decisions, and then we will continue to support that.

Mr. GRAVES OF LOUISIANA. Great, thank you. And in addition to Florida, General, I want to highlight the fact that there is actually one in Louisiana—

General SEMONITE. I have heard of one there, yes, sir.

Mr. GRAVES OF LOUISIANA [continuing]. That I have particular interest in, the Houma Navigation Canal, among others. And that is one of those projects that you and I have discussed, and I have discussed it with your predecessor and his predecessor and his predecessor and his predecessor and his predecessor.

Suffice to say the timeline is unacceptable. So that deepening project is—or the lack of deepening project, the lack of urgency there, is resulting in us losing business not to Texas and Mississippi, but losing business to Asia, to South Korea, to China and other countries, having real impacts on real economic activity, real jobs, real people right here in America. And so I want to highlight that.

And look, I had the chance to meet with you and Secretary James on a regular basis, and we are going to continue doing that. So rather than burning all my time, I am going to say one more time I think that the timeline for our water resource projects are completely unacceptable. I think the ratio of getting \$1 to \$2 billion in construction for a \$100 billion program is ridiculous.

I am going to remind you that we have seen, under the Obama administration, we have seen under the Trump administration where your mission is being carried out by other agencies because you are being circumvented by, again, by the Obama administration, by the Trump administration, and I think that goes back to the lack of efficiency in delivering some of these projects.

And most importantly, these projects aren't luxuries. These projects, in many cases, mean life or death. Fifteen hundred of my

fellow citizens died in Louisiana as a result of Hurricane Katrina. Fifteen hundred. I am never going to forget that, never. And I am not ever going to stop pushing you all to deliver these projects more efficiently.

With that, I am going to yield to the gentleman from Georgia to take over the chair. I have got to run over to Secretary Zinke, but I wanted to thank you both very much for being here. I appreciate it.

And Chairman Woodall is going to finish this thing up.

Mr. WOODALL [presiding]. Making time for one last questioner. Secretary James, we have not gotten a chance to meet before. I am Rob Woodall from Georgia, and I want the first words that you hear from me to be words of appreciation. They might not define our relationship forever going forward, but I wanted to define our relationship on day one.

Lake Lanier, down in the great State of Georgia is in my district. And about the turn of the century—because you all were responsible for all the docks there on Lake Lanier, you put out guidance to say don't put your dishwashers out there on your dock, don't put the old ratty sofa out there, don't store a rotting lawnmower on your dock. I don't know what you were thinking about your good friends from Georgia there when you put out that guidance. But among the items on that list were no security cameras on your dock, no doubt with a nod towards privacy of folks who were on the lake.

Well, we have had a spate of crime and vandalism, theft there on the lake, and we shared that with your local folks about a year ago today. It took them about 3 months to go through the public comment process, a visit with folks about how to make that better, and then rescind that prohibition on security cameras on docks so that our land owners, property owners, could feel safe and secure. I want to thank you for that. We have heard a lot about delays here today. I want you to know when I brought that concern to you you moved quickly, efficiently, brought everybody to the table, and came out with something that we can be enthusiastic about as a community. Thank you. Thank you for that.

I also want to be able to define our relationship—I know you said you hadn't had a chance to focus a lot on ports in your first 4 weeks, so I can tell you everything you need to know about ports. It begins with Savannah and all comes down from there.

The Savannah Harbor expansion project this committee authorized in 2014. It is the largest single container terminal in the country. It has been the fastest growing for the last decade. And in fact, our benefit-cost ratio has been rising throughout this time. It was 5.5 when we started, 7.3 today. Chairman Graves has worked with us on that, Chairman Shuster has worked with us on that. Certainly you have worked with us, as a Corps, and we are grateful for that.

We fronted the project dollars out of Georgia. We put up the State match first, spent that money first, as we were going through the process: \$266 million. We have also decided to put in an additional \$35 million, going to bump up that required match by about 15 percent more, because this is so important, not just to us as a State, to us as a region, I would argue to us, as a country. But for

a project that is due in 2021, we are having a tough time getting the money out of the administration; \$49 million was in the President's request.

I just want to put that on your radar screen. We are going to have to start having that conversation about how to be better partners with you. We once had the ability to get together as a committee, decide what our priorities were, and put that money in the Corps budget so that you all wouldn't have to come to folks whose constitutional responsibility is to appropriate funds and get fussed at for why we are not appropriating funds fast enough.

But my question to you there, now that you know that the premier port project in the country is the Port of Savannah, and it has only been allocated \$49 million in the President's budget request, do you anticipate some more flexibility to dedicate dollars to ports, to projects that are on a short build frame with a high benefit-cost ratio?

Mr. JAMES. Sir, I can't answer that question right now.

Mr. WOODALL. Well, if you didn't have a yes, I didn't want you to answer it anyway.

Mr. JAMES. Oh, I—

Mr. WOODALL. That was the only answer I was going to be excited about. So thank you for deferring.

We need to find a way to take that off of our disagreement list and put it on our working together list. There is not a single constituency represented in the committee that is served by rising costs that come from delayed funding. I know we can crack that nut together, and I look forward to working with you on that.

My last question also involves Lake Lanier. We, as you all know, have been working through a water resources challenge there in Metropolitan Atlanta. I only represent two counties. One of them is Forsyth County, on which the lake sits, and the county water supply is brought in through an intake that belongs to the city. The county has an allocation, but the city brings in the water through a city intake. So we are having that conversation now about how to get a county intake into Lake Lanier to access a county allocation of water. The dollar values of taxpayer savings vary, depending on who you talk to.

But because we have been involved in litigation in Lake Lanier for so long, water control manuals notwithstanding, we recognize folks have not been in the permitting-handing-out business, what guidance can you give to me, just because we have a little privacy here in the committee room today, about the process for getting a county intake, a right of way approved for a county intake for what will be a county allocation of water that the State of Georgia requests?

General SEMONITE. So, sir, I was a division commander down in Atlanta for 3 years. I know Lanier inside and out. And this is normally something that we can facilitate relatively straightforwardly. We have to do a special type of a permit, probably a section 408, but we have streamlined those, and we have to go through that. There is clearly a cost issue to work out.

I think the challenge we are going to have here goes back to the litigation and to be able to make sure we talk about the water sup-

ply impact. And you know all of the details of the different parties that are in that litigation.

So if, in fact, we think we are cleared to go green on that, then I think that is probably a relatively straightforward process. If in fact it goes back to now whether it is not so much the pipe, then the question is the water supply component. If, in fact, that is somehow wrapped back into an additional draw on Lake Lanier that is not in the water control manual—it is those kind of mechanics we have got to work out.

I am not aware of exactly where we are at on that particular one, but Colonel Griffin is our district commander—I am sorry, Mobile is the district the service is at. I will make sure that Colonel DeLapp comes and talks to you where we can and walk you through that.

We want to help facilitate, wherever we can, counties to be able to do this in a more streamlined process.

Mr. WOODALL. I appreciate that, General. And finally, we are wonderful stewards of water resources in our part of the world. In fact, we have a \$1 billion water treatment plant that sits there on Lake Lanier. We even pump water up over the Continental Divide, Mr. Secretary, in order to get it back into a basin that is in need.

We don't get much credit for return flows these days, and much, of course, is a generous term I am using. We don't—there is no incentive today to be a good actor in that basin. And I know that is true of other places across the country. How it is we can work together to make sure we are incentivizing good behavior, no matter how many dollars we have, if we are using those dollars to maximize efficiency, I know we will all be better served. And so I look forward to working with you in your new capacity, and continuing to work with General Semonite on the return flow issue. I thank you, Mr. Secretary.

The gentleman from California, Mr. LaMalfa.

Mr. LAMALFA. Well, thank you, Mr. Chairman. I apologize for my sliding in at the very last second, but my previous committee took all of 2 hours for me to get to my point in it, so I appreciate everybody's indulgence and the rest of the members of the committee here, and importantly, our witnesses, too. So thank you.

A very important issue in my district—I am not sure if Mr. Garamendi was in here earlier to provide—OK, very good, I am sure he did. On the Sutter Butte Flood Control Agency, a project in the Yuba-Sutter area of northern California on the Feather River, which—all the issues emanate from the Oroville Dam above there, which we don't probably have to recount much of the history of that with the crisis a year ago on the spillway there.

So it all ties together. What we are talking about here on that project—again, to quickly review this—it is a 41-mile levee project that 36 miles out of the 41 have already been completed with basically zero cost to the Federal Government. What we need is a rapid new start to complete the last 5 miles.

The Federal Government originally was obligated for up to \$689 million at cost. They have pruned the price down, due to the good works at the local level and self-funding from a measure that the locals paid for on that. So we are down again to the last 5 miles. Locals are tapped out on the dollars. And so they are looking for

that new start with only \$49 million left to complete the final 5 miles of the 41-mile project, which—again, the original cost would have been \$689 million and taken longer, and has been pruned down to \$376 million, with the local work.

So, if the designation can be made and given and the money transferred, at least just partially this year, but with the commitment to 2 years, we can be done—one and done, right? In 2019. And I know the administration is looking for that, the administration, in its infrastructure, has been looking for that strong local participation.

We have already front-loaded that with this project, stronger than, I think, the numbers that are even proposed in the ratios that the administration is talking about. So this would be, I think, a prime trophy moment for the administration and importantly, the folks that are living near to this program.

Again, it is still vulnerable to floods, because the levees are weak. There is a lot of material in between the levees, as a result of that washout of the spillway above at Oroville Dam.

So this would be a great partnership with Army Corps. As you know, the Army Corps helped pay for 20 percent of Oroville Dam originally, and owns the top 50 feet of airspace there for flood control purposes. So it is all tied together.

And what I am asking for our gentlemen here, can we receive this designation, get this new start this year, as well as have a fight for the funding to keep the progress of the work going through the December 2019 completion?

General SEMONITE. Sir, let me talk from the Corps' perspective, and I will let the Secretary jump in.

We, first of all, look at this project, really, as a model. You have done a great job out there, just like you said, taking a massive amount of demand off the Federal Government here. We, from the Corps perspective, would think that this would compete very, very well in a fiscal year 2018 workplan. The Secretary is going to be the one who is going to have to rubberstamp that up through OMB to be able to get our workplan approved. But we are looking at, I think, a total of \$75 million, of which the Federal share is about \$50 million.

So this is something to do that would be able to get this done, get those 4 miles complete. And I do think it is something that the Federal Government is getting a pretty good deal on this. And if we can help in any way, recommend the administration get this funded, I think this would be a pretty good investment.

I will let the Secretary jump in, if need be.

Mr. LAMALFA. I appreciate it.

Mr. JAMES. I don't have anything to add to that, other than the fact that it will be eligible for the 2018 workplan. And with its history, it would probably be real eligible.

Mr. LAMALFA. OK, thank you. And both of you understand that the locals are tapped out on the property assessments and on that, and they have really carried it a long way. And you see that and understand it. I appreciate it.

So, besides that, with, you know, the work that has been done and paying for it so far, what other things could the locals be doing to help make the case in front of you or for you, other than myself

and Mr. Garamendi here in this committee and leading up to this point? What else could they be saying or doing?

General SEMONITE. I don't think we need anything, sir. The colonels that are out there that understand this, we have been briefed on this several times. If there is something, we will certainly come back. But everything we have put in the workplan, I mean, we feel very, very solid on the engineering, the requirement back to the Nation, the justification of it. So I think where we are at, I think we have everything we need right now.

Mr. LAMALFA. OK. Thank you for that. Again, I hate to be the guy that pesters and pesters and such. I don't know how that works, squeaky wheel in Government—or, as my father always told me, “Well, he only asked one time.” You know how that goes. But I know how it works a little more in the Government.

But I do appreciate your attention to it and your listening to us here today, and I think this will, again, be a great success for all of us. So I look forward to inviting you out to a levee either now or in December 2019. So thank you all.

Mr. WOODALL. Gentlemen, I want to thank you both for—not just for being here, but for answering the call of public service. It seems like in this day and age, fewer and fewer folks are willing to answer that call, but the Nation depends on it. And I want to thank you both for what you do. It has been incredibly valuable for all of us on the committee.

And unless any other Members have a concern, the committee stands adjourned. Thank you.

[Whereupon, at 12:30 p.m., the subcommittee was adjourned.]

DEPARTMENT OF THE ARMY

COMPLETE STATEMENT OF

THE HONORABLE R.D. JAMES

ASSISTANT SECRETARY OF THE ARMY FOR CIVIL WORKS

and

LIEUTENANT GENERAL TODD T. SEMONITE

CHIEF OF ENGINEERS

U.S. ARMY CORPS OF ENGINEERS

BEFORE

COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE

SUBCOMMITTEE ON WATER RESOURCES AND ENVIRONMENT

UNITED STATES HOUSE OF REPRESENTATIVES

ON

America's Water Resources Infrastructure: Projects and Policies

March 15, 2018

Mr. Chairman and Members of the Subcommittee:

I am honored to testify before your committee today, along with Lieutenant General Todd Semonite, Chief of Engineers, on the subject of America's water resources infrastructure. I was recently sworn in as the Assistant Secretary of the Army for Civil Works and I very much look forward to working with this Subcommittee and the Congress to address the Nation's water resources infrastructure.

The Corps is responsible for managing and overseeing a large water resources program, which has three main missions – commercial navigation, flood and storm damage reduction, and aquatic ecosystem restoration.

The FY 2019 Budget and the Administration's infrastructure proposal recognize that the current paradigm for investing in water resources development is not sustainable and can deter rather than enable local communities, states, and the private sector from making important investments on their own, even when they are the primary beneficiaries. The Administration's infrastructure proposal and other reforms in the Budget, such as reducing the Harbor Maintenance Tax, would facilitate local decision-making by those who know best what investments are needed and improve how we as a Nation invest in water resources.

The President's infrastructure legislative principles were publicly released on February 12, 2018. The legislative principles directly applicable to the Corps' Civil Works responsibilities fall within six general areas:

- (1) **Water Resources Infrastructure.** These principles would remove barriers and provide new authorities to expedite the delivery of infrastructure projects through a variety of mechanisms focused on revenue generation, streamlining project delivery, and innovative acquisition approaches.
- (2) **Inland Waterways.** The combination of new and existing revenue streams combined with non-federal partnerships would enable greater efficiencies and innovations for our nation's inland waterways.
- (3) **Incentives.** Incentives in the form of grants to non-federal entities are intended to encourage innovation, accelerate project delivery, and increase State, local, and private participation.
- (4) **Water Infrastructure Finance and Innovation Act (WIFIA).** Incentives in the form of low-cost loans are also intended to encourage innovation, accelerate project delivery, and increase state, local, and private participation. The legislative principles would expand the U.S. Environmental Protection Agency (EPA) authorization and budget authority to include non-Federal flood mitigation, navigation, and water supply projects.

- (5) **Environmental Reviews and Permitting.** In addition to broad environmental and permitting reforms, the legislative principles would further streamline the Corps' Section 404/10 and Section 408 programs to support timely decisions while maintaining environmental protections provided by law.
- (6) **Divestiture.** The infrastructure legislative principles authorize Federal divestiture of assets that would be better managed by State, local, or private entities. One of these assets is the Washington Aqueduct, which the Corps currently owns and operates.

IMPLEMENTATION OF WRRDA 2014 AND WRDA 2016

The Water Resources Reform and Development Act of 2014 (WRRDA 2014) and the Water Resources Development Act of 2016 (WRDA 2016), authorized 64 Chief's Reports involving an estimated cost of \$40 billion for water resources infrastructure.

The Army continues to maintain a strong focus on developing the implementation guidance for the Water Resources Reform and Development Act (WRRDA 2014) and WRDA 2016. To date, the Corps has addressed 201 provisions for WRRDA 2014, representing 99% of the 203 provisions that required guidance. The Corps also continues to make significant progress in completing guidance for WRDA 2016. The Corps has completed guidance for 192 provisions, representing 93% of the 207 provisions that require implementing guidance. Draft implementation guidance for each of the remaining provisions has been prepared, and is currently under review. Since the enactment of WRDA 2016, the Chief of Engineers has signed and transmitted six proposed water resources projects. These are now under review.

- St. Johns County, Florida
- Sabine Pass to Galveston Bay, Texas
- St. Lucie County, Florida
- Houston-Galveston Navigation Channel, Galveston Channel Extension
- Mamaroneck-Sheldrake Rivers, New York
- Ala Wai Canal, Oahu, Hawaii

In addition, Section 7001 of WRRDA 2014 requires the Secretary of the Army to submit an annual report to the Congress that identifies completed feasibility reports, proposed feasibility studies, and proposed modifications to authorized water resources projects or feasibility studies. Section 7001 also requires a notice annually in the Federal Register inviting proposals from non-federal interests. The annual report reflects the information that these non-federal interests provide in response to that notice. The criteria used to solicit proposals is listed in the register notice and on the Corps' webpage. To be included in the main report, a proposed study or project must:

- Be related to the missions and authorities of the Corps of Engineers;
- require specific congressional authorization;
- Not have been previously congressionally authorized;
- Not have been included in any previous section 7001 annual report; and
- Be able to be carried out by the Corps if authorized.

Since 2015, the Corps has annually submitted the 7001 report as required under WRRDA 2014. For the 2018 Annual Report, non-Federal interests submitted 34 proposals in response to the Federal Register notice. The report was submitted to Congress on February 5, 2018. It included the six Chief's Reports listed above. Seven of the 34 proposals submitted met the criteria. We therefore included them in the main report table. We listed the other 27 proposals in the Appendix table.

The Corps will publish a Federal Register notice by May 1, 2018 announcing the open period for the next round of proposals from non-federal interests. The period for submitting proposals will remain open for 120 days. The next report is scheduled to be submitted to Congress by February 1, 2019.

EXPEDITING THE REVIEW AND PERMITTING PROCESSING

The Corps continues to look at organizational efficiency opportunities, authorities, policies, regulations and procedures in order to reinforce and increase efficiency and effectiveness.

WRRDA 2014 and WRDA 2016 included provisions for a more streamlined delivery process. Examples include:

Section 1002 of WRRDA 2014 repeals the requirement that the Corps conduct a reconnaissance study prior to initiating a feasibility study. The preliminary analyses that were previously conducted during the reconnaissance phase of a study are now done in the early stages of the feasibility study including the establishment of a detailed project schedule.

Section 1007 of WRRDA 2014 requires the Secretary to establish a process for reviewing requests submitted under Section 14 of the Rivers and Harbors Appropriation Act of 1899, as amended, in a timely and consistent manner. These requests (commonly referred to as Section 408 requests because the provision from the 1899 Act is codified at 33 USC 408) involve proposals for the permanent or temporary alteration by others of any completed Civil Works project. The Budget includes significant funding to support Section 408 reviews. Beginning in 2017, the majority of all Section 408 decisions can be rendered at the district level. Further efforts to eliminate duplication of public interest and environmental reviews and establish timelines for decisions are ongoing. The Corps has also clarified when Section 408 permission is required, not

required, and when the requirements of Section 408 may be met by another Corps process and/or authority, thus resulting in the elimination of redundancies.

Section 1134 of WRDA 2016 provides for the Corps to research, develop, and implement an electronic system to allow for the electronic preparation and submission of applications for permits, and requests for jurisdictional determinations via email or other means through the Internet. The Corps has accepted electronic submissions for both permit applications and requests for jurisdictional determinations via email for several years. The Corps continues to explore additional automation advances to make the process more efficient for the public and cost effective for the government.

The Corps and other Federal agencies are working to streamline the federal permitting and oversight of infrastructure projects, through implementation of the Fixing America's Surface Transportation Act (FAST 41), Executive Order 13807 on "Establishing Discipline and Accountability in the Environmental Review and Permitting Process for Infrastructure Projects," Executive Order 13783 on "Promoting Energy Independence and Economic Growth," and Executive Order 13777 on "Enforcing the Regulatory Reform Agenda."

For example, under Executive Order 13807, the Corps is pursuing the concept of environmental impact statement schedules for major infrastructure projects that will achieve the 21-month federal decision-making goal. Additionally, the Corps released a report under Executive Order 13783 that recommended changes to nine of the 2017 nationwide permits to reduce the regulatory burden on energy producers.

The Corps is considering changes to compensatory mitigation policies to clarify types of creditable projects and to facilitate timely decisions, and remains committed to working with federal, state, and local agencies to identify efficiencies in existing permitting and environmental review processes.

CONCLUSION

The time has come for us to focus on outcomes as we rebuild America. I look forward to working with this Committee and the Corps to improve the ways that we manage and invest in our water resources, and ensure the Corps remains an elite engineering organization dedicated to collaborating with non-federal partners by implementing the President's infrastructure plan.

This concludes the formal testimony and we would be happy to answer any questions you or other members of the Committee may have. Thank you.

American Fly Fishing Trade Association • American Sportfishing Association • American Woodcock Society • Archery Trade Association • Association of Fish & Wildlife Agencies • California Waterfowl Association • Backcountry Hunters & Anglers • Bass Anglers Sportsman Society (B.A.S.S.) • Bonefish & Tarpon Trust • Everglades Foundation • Fly Fishers International • Guy Harvey Ocean Foundation • International Game Fish Association • Izaak Walton League of America • National Deer Alliance • National Wildlife Federation • National Wildlife Refuge Association • The Nature Conservancy • Pope & Young Club • Quality Deer Management Association • Ruffed Grouse Society • Snook & Gamefish Foundation • Theodore Roosevelt Conservation Partnership • Trout Unlimited • Wild Salmon Center

March 13, 2018

The Honorable Bill Shuster
Chairman
House Transportation & Infrastructure Committee
2165 Rayburn House Office Building
Washington, D.C. 20515

The Honorable Peter DeFazio
Ranking Member
House Transportation & Infrastructure Committee
2164 Rayburn House Office Building
Washington, D.C. 20515

Dear Chairman Shuster and Ranking Member DeFazio,

On behalf of our millions of members and supporters, the undersigned hunting, fishing, and conservation organizations, and businesses comprising the outdoor recreation economy, write in support of policy recommendations for the upcoming Water Resources Development Act (WRDA) legislation. Additionally, we have identified three projects currently requiring congressional authorization that, when implemented, will advance long-held priorities from the sportsmen, conservation, and outdoor recreation communities.

Investments in natural and nature-based infrastructure that serve to conserve and restore our nation's waterways will not only benefit the fish and wildlife habitat that allow sportsmen and women to pursue their passion, but also boost local economies and enhance the resiliency of communities across the country. We are eager to work with you on the below recommendations which we believe would constitute sound stewardship of our country's natural resources and preserve our hunting and fishing heritage for the next generation.

Natural and Nature-Based Solutions

We want to thank the Committee for the progress made in the Water Infrastructure Improvements for the Nation (WIIN) Act toward more appropriately assessing the use of natural infrastructure measures for Army Corps (Corps) projects. In the two years since enactment, evidence of natural infrastructure's cost-effectiveness and public safety benefits has been produced nationwide – both coastal and inland. For example, a recent study demonstrates that during Hurricane Sandy, wetlands prevented \$625 million in flood damages in 12 coastal states and reduced damages by 20 to 30 percent in the four states with the greatest wetland coverage. As a result, projects that utilize natural infrastructure measures are attracting an increasing interest by communities and non-federal partners.

We hope Congress will take the opportunity to build on this momentum by including provisions in this year's WRDA that further facilitate and incentivize meaningful evaluation and use of natural infrastructure measures for flood and storm damage reduction projects. By applying nature-based ecosystem restoration techniques such as living shorelines, wetland and floodplain restoration, and sediment diversions, the Corps can reduce flood damages while enhancing fish and wildlife habitat and the outdoor recreation economy relying on it.

Utilize Expertise of Federal and State Wildlife Experts

Fish and Wildlife Coordination Act (FWCA) review is a longstanding, mandatory, and critically important component of water resources planning. Unfortunately, the Corps and many other federal agencies subject to the Act often ignore the recommendations of state and federal fish and wildlife experts made pursuant to the FWCA during project planning, creating unnecessary, avoidable impacts and leading to inadequate mitigation plans. Agencies sometimes fail to consult at all with the federal and state fish and wildlife agencies on projects that affect the nation's waters, despite the FWCA's clear requirement to do so.

In this year's WRDA, Congress should ensure that the Corps, and other federal agencies initiating water resources projects, utilize Fish and Wildlife Coordination Act recommendations derived from the special expertise of federal and state fish and wildlife experts, such as methods and metrics for assessing fish and wildlife impacts and mitigation opportunities. Congress should also reaffirm the importance of the FWCA consultation process and clarify that it applies to reassessments of project operations. Evaluating fish and wildlife impacts and mitigation opportunities early in the planning process, and in accordance with the extensive and carefully developed recommendations of federal and state fish and wildlife experts, is a common sense, cost-effective way to improve planning efficiency and reduce avoidable impacts.

Benefit-Cost Ratios

The Corps' assessments of project benefits and costs have significant shortcomings, leading to benefit-cost ratios (BCR) that do not provide a reliable assessment of whether or not a project is in the Federal interest. BCRs do not adequately account for a project's full life-cycle costs or the cost of lost ecosystem services, such as erosion prevention or water purification, and fail to account for construction needs identified in the detailed technical design phase. Additionally, BCRs fail to account for the public safety and economic benefits created and preserved by utilizing natural and nature-based infrastructure measures. Moreover, rather than using a BCR as just one of a number of decision-making tools, the Corps too often recommends projects for authorization and funding based solely on the project's BCR. These assessments are often wildly inaccurate and opaquely tilt the scales toward large-scale structural projects that benefit certain industry sectors while leaving others, including the outdoor economy, behind.

We request that this year's WRDA modernize the BCR process. Congress should establish additional specific criteria to ensure that Corps BCRs fully account for project costs (including lost ecosystem services and full life-cycle costs), and exclude project benefits from activities that are contrary to law and policy. Congress should also establish a process to improve the accuracy of Corps BCR analyses and reaffirm that BCR is just one of several decision tools that should be utilized by the Corps. These changes would allow the Corps to more effectively fulfill its missions to reduce flood risk; ensure safe, reliable navigation of our nation's waterways; and conserve and restore the environment and outdoor economy and recreational opportunities that depend on healthy waters.

Update Operating Plans

Many major Corps projects are managed under decades-old water control manuals and navigation operating plans that are causing significant harm to fish and wildlife populations and their habitat, increasing flood risks for communities, and ignoring current conditions and needs. For example, major California reservoirs are being operated under fifty-year-old water control manuals and the vast majority of the Upper Mississippi River navigation system is being managed under forty-year old navigation operating plans that cannot account for decades of ecological changes and advancements in science and management techniques.

We request that this year's WRDA require the Corps to evaluate and update operating plans and water control manuals for large-scale Corps projects at least every 10 years, in consultation with state and federal agencies. By working together, we can more accurately account for species life cycle needs, preclude listings under the Endangered Species Act, avoid the spread of aquatic invasive species (AIS) and provide for additional wildlife and water resource associated recreational opportunities that serve as the foundation for rural economies. We also recommend that Congress direct the Corps to assess the challenges to completing regular updates to manuals and plans and identify opportunities for optimizing timely completion of such updates. Regular updating of operating plans would ensure that the extensive array of federal water resources infrastructure is managed with state-of-the-art approaches that can improve operations, address modern needs and conditions, and protect habitat.

Project and Study Authorizations

Finally, we would like to draw the Committee's attention to three projects requiring congressional authorization – one requiring a feasibility study, the other two requiring Post Authorization Change Report (PACR) authorizations. These projects would restore and enhance natural processes, and would provide water quality and fish habitat benefits along hundreds of ecologically important river miles.

Everglades Restoration

South Florida's recreational economy relies on healthy fish and wildlife populations in the Everglades. There are two Everglades restoration project priorities that we request your attention to in this WRDA.

First, the Everglades Agricultural Area (EAA) Storage Reservoir project, one of the project components authorized in the Comprehensive Everglades Restoration Plan (CERP), is a critical step in the effort to reduce the discharge of damaging freshwater from Lake Okeechobee into the Caloosahatchee and St. Lucie estuaries and send more water south into the Everglades system. Achieving these goals will depend on a final project plan that meets water quality requirements and federal cost-feasibility analyses. We anticipate a PACR to the Central Everglades Project (CEP) to meet these tremendous ecosystem goals will be ready for congressional approval in this current WRDA cycle.

Second, completion of the Kissimmee River Restoration project is expected in FY 2020, which would improve the timing and distribution of water flows into the Everglades from the headwaters region. We request congressional authorization of an expected PACR in order for the South Florida Water Management District to receive credit for important engineering work for flow easements that they provided, enabling the project to move forward and resulting in lower project costs.

Lower Mississippi River Feasibility Study

The Lower Mississippi River (LMR) is a nationally significant ecosystem and vital for navigation, flood-risk reduction, and community well-being, but lacks a comprehensive ecosystem restoration program like that found on the Upper Mississippi. After years of progress, the Corps is now at a point to accelerate restoration of the natural resources of the LMR for the people and wildlife of the region.

We ask Congress to take advantage of the opportunity present in this year's WRDA to establish an ecosystem restoration program by authorizing a study to address the feasibility and prioritization of vital habitat projects across the LMR. The preliminary non-federal sponsor submission was included in this year's Report to Congress on Future Water Resources Development, giving Congress the ability to greenlight this crucial ecosystem restoration project.

We thank you for the opportunity to submit our recommendations. We look forward to working with you, your staff, and the entire Transportation & Infrastructure Committee to ensure that hunters and anglers have a voice in shaping upcoming WRDA legislation.

Signed,

American Fly Fishing Trade Association
American Sportfishing Association
American Woodcock Society
Archery Trade Association
Association of Fish & Wildlife Agencies
California Waterfowl Association
Backcountry Hunters & Anglers
Bass Anglers Sportsman Society (B.A.S.S.)
Bonefish & Tarpon Trust
Everglades Foundation
Fly Fishers International
Guy Harvey Ocean Foundation
International Game Fish Association

Izaak Walton League of America
National Deer Alliance
National Wildlife Federation
National Wildlife Refuge Association
The Nature Conservancy
Pope & Young Club
Quality Deer Management Association
Ruffed Grouse Society
Snook & Gamefish Foundation
Theodore Roosevelt Conservation Partnership
Trout Unlimited
Wild Salmon Center



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Chairman Bill Shuster
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2079 Rayburn House Office Building
Washington, D.C. 20515

Ranking Member Peter DeFazio
House Committee on Transportation and
Infrastructure
2134 Rayburn House Office Building
Washington, D.C. 20515

March 12, 2018

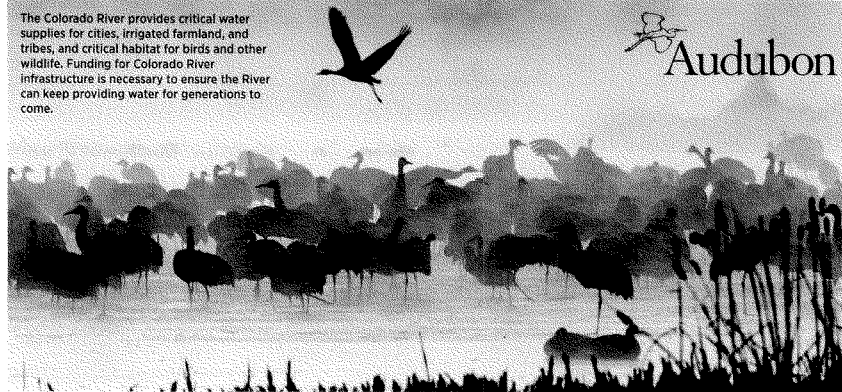
Dear Members of the House Transportation and Infrastructure Committee:

Thank you for your leadership in holding a hearing on "Building a 21st Century Infrastructure for America: Water Resources Projects and Policy." The National Audubon Society is pleased to submit our infrastructure priorities as testimony for the record to assist House Transportation and Infrastructure Committee as they continue to work on legislation to improve America's infrastructure. The National Audubon Society supports natural infrastructure solutions that have many benefits including saving taxpayer money, enhancing habitat for birds and other wildlife, protecting communities from storm events, and improving recreational opportunities with the associated economic benefits, all the while fixing our nation's outstanding infrastructure problems. As Congress considers investing in and updating U.S. infrastructure, it should incorporate natural infrastructure solutions as part of a package of improvements.


Please let us know if you have questions about the National Audubon Society's infrastructure priorities. We look forward to working with you on this important issue.

Sincerely,

Julie Hill-Gabriel
Vice President of Water
National Audubon Society



The Colorado River provides critical water supplies for cities, irrigated farmland, and tribes, and critical habitat for birds and other wildlife. Funding for Colorado River infrastructure is necessary to ensure the River can keep providing water for generations to come.

 Audubon

AUDUBON'S INFRASTRUCTURE PRIORITIES

SMART INFRASTRUCTURE INVESTMENTS HELP COMMUNITIES THROUGHOUT THE NATION ADDRESS 21ST CENTURY CHALLENGES BY PROVIDING HEALTH, PUBLIC ACCESS, ENVIRONMENTAL, AND ECONOMIC BENEFITS.

In addition to hard structures like roads, bridges, railways, ports, electric grids, and sewer systems that form our nation's critical infrastructure network, more and more communities are turning to natural habitats - or infrastructure projects built to mimic those habitats - to help protect them from extreme weather and provide important services. These cost-effective, nature-based solutions are becoming more common as a means to manage stormwater, protect coastal communities from more frequent and severe storm events and rising tides, and retain water in arid environments. For example, conserving and restoring coastal reefs, wetlands, and mangroves can prevent coastal flooding and save hundreds of millions of dollars in storm damage; and protecting and restoring forests can be the least expensive way to secure a clean drinking water supply. Natural infrastructure, or nature-based solutions, can be used alone or in combination with structurally engineered approaches. This approach often costs less to build and maintain, and can provide other benefits like habitat for birds and other wildlife, recreational opportunities with the associated economic benefits, and sensible infrastructure improvements.

As Congress considers investments to maintain and improve U.S. infrastructure, it should provide direction, authority, and funding for natural infrastructure solutions as part of a package of infrastructure improvements.

THE IMPORTANCE OF SOUND INFRASTRUCTURE INVESTMENTS

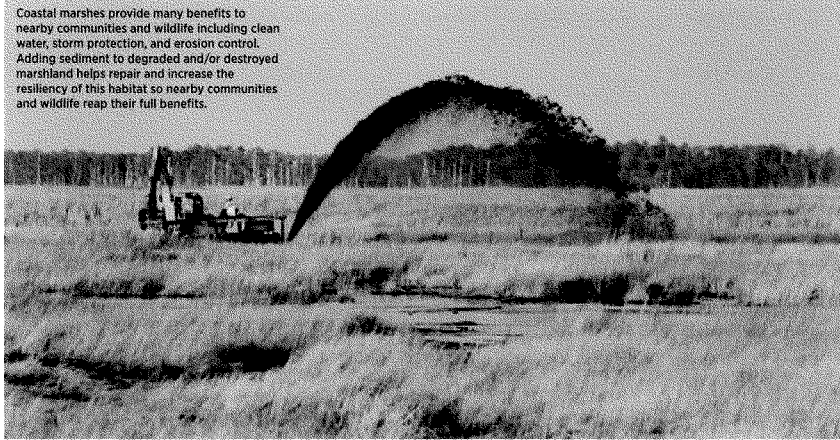
Audubon supports efforts to protect taxpayer investments in federally funded infrastructure by requiring projects be designed to withstand future conditions, such as projections for sea-level rise as well as more frequent and extreme weather events like storms, droughts, heat

waves, and wildfires. Congress should responsibly improve permitting processes and shorten timelines without sacrificing core environmental protections or short-changing public engagement. In order to advance sound infrastructure investments, it is import-

ant to balance expediency with health and safety for people, wildlife and habitat. The first and most important step toward achieving more efficient processes is to fully implement and fund recent Congressional guidance to improve permitting and environmental review.

Advancing infrastructure at the expense of clean air, clean water, and healthy fish, birds and other wildlife will only undermine local efforts to secure a prosperous future for their community.

Coastal marshes provide many benefits to nearby communities and wildlife including clean water, storm protection, and erosion control. Adding sediment to degraded and/or destroyed marshland helps repair and increase the resiliency of this habitat so nearby communities and wildlife reap their full benefits.



SPECIFIC INFRASTRUCTURE INVESTMENTS SHOULD INCLUDE:

Natural coastal infrastructure like dunes, barrier islands, and wetlands that can help communities prepare and recover from increasingly frequent and extreme coastal events, by buffering storm damage, absorbing flood waters, and providing a front line of defense from storms, while benefitting fish and wildlife. [Audubon's Natural Infrastructure Report \(http://bit.ly/2G6oxy2\)](http://bit.ly/2G6oxy2) provides some specific examples of important natural infrastructure investments.

Clean water and drinking water infrastructure that provides safe, reliable, and affordable drinking water and prevents water pollution across the U.S. Congress should provide explicit support for nature-based

solutions such as watershed and forest protection to achieve these goals.

Everglades restoration projects that protect natural lands and the drinking water supply for 8 million Americans while providing water managers critical flexibility to reduce flood damage and risk throughout South Florida.

Great Lakes restoration efforts to restore our nation's greatest freshwater resources that support drinking water for 40 million Americans and protect the quantity and quality of water in the Great Lakes system while addressing challenges posed by invasive exotic species.

Mississippi River navigation and ecosystem restoration infrastructure that supports the drinking water for 2.8 million Americans and increases efficiency and safety while targeting habitat improvements.

Colorado River water infrastructure that increases the stability and sustainability of water supply for municipal, industrial, agricultural, recreational, and environmental uses that benefit over 40 million people.

Gulf Restoration projects like those benefitting 22 million residents of Coastal Louisiana, Florida, and Texas that can improve resiliency in the face of sea level rise and extreme weather events like hurricanes.

Delaware River Basin funding to support the conservation and restoration of an important watershed that supplies vital drinking water to 15 million people, provides access to recreational opportunities, and supports local and state economies.

Energy infrastructure investments should focus on improvements that ensure a more efficient, reliable, affordable, and secure system. The pace of investment has not always met the needs and challenges of aging and outdated infrastructure not designed for today's technological advances or equipped for the new set of requirements needed for renewable energy.

For more information, contact:
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Executive Summary



The USACE Huntington District in cooperation with the Pittsburgh, Louisville, and Nashville Districts, and the Great Lakes and Ohio River Division office, has prepared an adaptation pilot study to address the effects of climate change (CC) within the ORB through a collaborative effort with member agencies and organizations of the Ohio River Basin Alliance (the Alliance). This pilot study has investigated potential CC impacts to basin infrastructure, including Federal facilities operated for reduction of flood damages, navigation, local protection, water supply, and hydroelectric power production, as well as the potential impacts on terrestrial and aquatic ecosystems that are influenced by operation of these infrastructure components.

As caveat, the modeling results, impacts analyses, and formulated strategies in this pilot study are not intended to contribute to the international debate on causes of CC, nor does this study intend to present information in such manner as to elicit injudicious reactions to projected changes in temperatures and flow discharge. In fact, the modeling data suggest that the more rapid changes in temperature, precipitation, and streamflows due to changes in regional climate may not begin within the ORB until 2040. As such, this lead time can be used by state and Federal agencies and other organizations to (1) evaluate existing water resources policies and project operational procedures in light of expected changes, (2) identify and reduce current ecosystem stressors that limit the ability of natural systems to adapt to future climate-induced changes, (3) expand modeling capability for CC, and (4) expand the current streamflow and water quality monitoring network so that early signs of impending change may be detected.

This pilot study is based upon Global Circulation Models (GCM) produced by the International Panel on Climate Change Fourth Assessment in 2007. Specifically, the models archived by an interagency water resources group (NOAA, Bureau of Reclamation [BOR], USACE, and USGS) as Coupled Model Intercomparison Project-Phase 3 (CMIP3) Climate and Hydrology Projections were used as the basis for downscaled modeling for the ORB, with downscaled modeling of temperature and precipitation changes performed by the IWR staff using archived model ensembles from CMIP3. Three 30-year time periods were established (i.e., 2011–2040, 2041–2070, and 2071–2099; respectively *F1*, *F2*, and *F3*) within which both precipitation and temperatures were modeled. The results of that GCM modeling exercise were used by the Ohio River Forecast Center (NOAA) to model annual mean and seasonal flow discharge amounts for 25 forecast points within the basin and to forecast a range of temperature changes (annual mean, annual maximum, and annual minimum) for those same points.

Generally, modeling results indicate a gradual increase in annual mean temperatures between 2011 and 2040 amounting to one-half degree per decade, with greater increases between 2041 and 2099 of one full degree per decade. Hydrologic flow changes show substantial variability across the ORB through the three time periods, with Hydrologic Unit Code (HUC)-4 sub-basins located northeast, east, and south of the Ohio River expected to experience greater precipitation and thus higher stream flows—up to 50% greater—during most of the three 30-year periods. Conversely, those HUC-4s located north and west of the Ohio River are expected to experience ever-decreasing precipitation (especially during the autumn season) resulting in decreased in-stream flows—up to 50% less—during the same periods.

The potential impacts to infrastructure, energy production, and both aquatic and terrestrial ecosystems over the three 30-year time periods range from minimal in some HUC-4 sub-basins to

dramatic and potentially devastating in others. For example, Federal water resources infrastructure is designed using factors of safety (including hydrologic factors) that allow facilities, such as dams, reservoirs, and levees, to absorb and withstand many impacts through annual or seasonal operational modifications. However, other infrastructure that is dependent upon a reliable flow of water (i.e., hydropower and water supply) may be challenged in sustaining supplies during *F2* and *F3* periods without impacting other uses. Of special concern are the large numbers of thermoelectric power plants in the ORB that rely on sustained supplies of cooling water to meet national energy demand.

Concerns are also expressed in this report for the sustainability of certain fish and mussel communities in watersheds where annual mean and October Mean streamflow discharges may be reduced significantly during *F2* and *F3* periods. Coupled with the prospect of rising air temperatures that can result in higher water temperatures, some aquatic species may be at risk of extirpation in impacted watersheds; yet seasonal management of reservoir discharge volumes and water temperature may offset some of these anticipated impacts. Similar impacts may also be experienced by terrestrial and plant species that are accustomed to cooler basin temperatures. This pilot study identifies numerous data gaps that limit the identification of connections between streamflows and water temperatures and their effects on the basin's aquatic ecosystems, potentially guiding future research and investigations.

The pilot study addresses the formulation of potential adaptation themes or strategies that could decrease the impacts associated with changes in precipitation, streamflow discharge, and temperatures across the basin. Although not prescriptive in nature, these strategies suggest potential paths forward that can be integrated into near-term and long-term infrastructure planning, structure rehabilitation, water policy analysis, and operational changes.

Strategies included for addressing ecosystem impacts are based on an understanding of the current stressors that weaken ecosystems' resiliency to new disruptions, such as CC. Ecosystem adaptation strategies include reducing those stressors before the end of the *F1* period. The report also addresses key water resources policy issues that may need modification by state and Federal agencies so that necessary strategic actions can be undertaken to offset impacts that may occur after *F1*. The report suggests a number of follow-up actions to the adaptation pilot study that would affirm the modeling results on a decadal schedule and further refine the strategies based upon new information.

In conclusion, of the several objectives identified for the adaptation pilot study, the creation of a CC Working Group within the Alliance has been realized, with institution of a subgroup within the Sustainability and Competitiveness Working Group currently chaired by Dr. Harry Stone (Battelle). That subgroup first met during the fall of 2013 and discussed initial basin downscaled modeling results and a framework for impacts analyses. During the fall 2014 Alliance meeting, the preliminary results of the draft pilot study were shared with enthusiastic members of the working group and general Alliance membership. Hopefully, a fully functional, standalone working group that addresses CC impacts and adaptation strategies specifically can be established once the Ohio River Basin Pilot Study Report has been published for general consumption and specific adaptation strategies have been solidified for consideration by Alliance members. The Alliance may provide one of the best organizational structures for disseminating climate change information, supporting further research on CC and promoting adaptation strategies within the 13-state region.

**“Building a 21st Century Infrastructure for America:
Water Resources Projects and Policy”
Subcommittee on Water Resources and Environment Hearing
Thursday, March 15, 2018, 10:00 a.m.
2167 Rayburn House Office Building
Washington, D.C.**

Questions for the Record

Submitted on behalf of Chairman Garret Graves (LA-06):

1. The Committee has heard a lot of stakeholder interest in undertaking feasibility studies by themselves under the Section 203 authority. What potential Section 203 studies are under development? How does the U.S. Army Corps of Engineers (Corps) plan to submit their recommendations about them to Congress?

Response was not received at the time of publication.

2. What is the Corps doing to work proactively with non-federal project sponsors? For instance, 53 proposals were submitted for the 2017 Annual Report, while 34 proposals were submitted for the 2018 Annual Report. What is the Corps doing to better educate non-federal project sponsors about the new process required under the Water Resources Reform and Development Act of 2014 (P.L. 113-121, WRRDA 2014)? How is the Corps working with non-federal sponsors whose proposals fell in the Appendix Table?

Response was not received at the time of publication.

3. The Administration has consistently requested amounts that are far below annual harbor maintenance needs and Harbor Maintenance Trust Fund (HMTF) revenues, which requires Congress to find additional funding to meet those needs. This Committee, through WRRDA 2014, directed you to provide with each annual budget request a report describing the total future costs required to achieve and maintain the constructed width and depth for harbors maintained by the trust fund. In responses to the July 19, 2017 hearing entitled “Building a 21st Century Infrastructure for America: Implementation of the Water Resources Reform and Development Act of 2014 and the Water Resources Development Act of 2016,” the Corps indicated that the “next HMTF Annual Report was scheduled to be submitted to Congress by the end of 2017”. To date, the Committee has not yet received this report. Can you please provide this report?

Response was not received at the time of publication.

4. The Committee understands that the Corps is currently exploring implementing their own Water Infrastructure Finance and Innovation Act (WIFIA) program. What is the current status of this effort?

Response was not received at the time of publication.

Submitted on behalf of Ranking Member Grace Napolitano (CA-32):

1. Over \$260 million is collected in Harbor Maintenance Taxes (HMT) at the Ports of Los Angeles and Long Beach annually, although they have received approximately \$2 million in HMT spending annually over the past 10 years. In both WRRDA 14 and the *Water Resources Development Act of 2016* (WRDA 16) we have improved authorities to address this inequity and expand HMT uses to donor harbors.
 - a.) Do you believe it is fair that a port region could collect over \$260 million in HMT taxes but only receive \$2 million in HMT spending?
 - b.) What is this Administration doing to address the concerns of donor ports?
 - c.) Donor ports face the current and expanding issue of diversion of cargo through Mexico and Canada that is transshipped into the United States. These are U.S. jobs that we are losing to our neighbors because of inequity at donor ports. With this Administration's efforts to address U.S. jobs being lost to our North American Free Trade Agreement (NAFTA) neighbors, what is the Administration doing to address diversion of cargo away from U.S. ports that ends up being transshipped into the United States?

Responses were not received at the time of publication.

2. A July 2016 Government Accountability Office Report (GAO) report on the Corps practices for the review and revision of water control manuals for the Corps-owned projects concluded that Corps districts frequently lack the funding and staff to review or update water control manuals even when revisions are necessary. The GAO report did not address non-Corps projects regulated under Section 7 of the Flood Control Act, but it seems safe to assume that the Corps also lacks sufficient funding to review and update water control manuals for Section 7 projects. The Committee has received reports that the owners of some non-federal Section 7 projects have offered to pay for updating their water control manuals, but the Corps lacks the authority to accept non-federal funds for that purpose.
 - a.) Would the Corps' ability to review and update water control manuals for Section 7 projects be enhanced by new authority to accept and expend non-federal funds for that purpose?
 - b.) Would the Corps support provisions providing it with authority to accept non-federal funding from the owners of non-federal Section 7 projects to pay for the review and updating of water control manuals?

Responses were not received at the time of publication.

Submitted on behalf of Congressman David Rouzer (NC-07):

1. As you may know, the Corps is meant to dredge the Port of Wilmington's shipping channel every two years, and the next dredging would have been during winter of 2018. However, the Wilmington District office did not submit the bid for contract until November of 2017, which is roughly three months later than usual. I am told the District office is considering dredging this summer instead, which concerns a number of my constituents because it is

during peak tourism season as well as nesting season for the loggerhead turtles. What was the cause of the delay and what are the Corps current plans for dredging that channel?

Response was not received at the time of publication.

2. The Wilmington Port has expressed interest in taking post Panamax ships into the port. It is my understanding that such a project is currently under review by the Corps. Can you let me know what the status of that review is? Additionally, I've heard from concerned constituents in these coastal communities about new cranes that are being installed at the Wilmington Port in April and the effect that moving the cranes into place will have on ferry traffic, emergency services, etc. All of this is necessary activity, but it is also important that any plans put in place take into consideration all concerns so that they can be mitigated to the maximum extent possible. Can you share with me what role the Corps plays in this process and what measures have been taken to accommodate these concerns?

Response was not received at the time of publication.

Submitted on behalf of Ranking Member Peter DeFazio (OR-04):

1. At my request, WRDA 2016 included a provision directing the Corps to establish an inventory and assess the structural condition of all federal breakwaters and jetties protecting our harbors in the United States. As you are well aware, many of the breakwaters and jetties protecting our ports and harbors have fallen into disrepair to the point of being functionally obsolete. Yet, if the Corps were to undertake appropriate repair and rehabilitation work on these structures, such as those protecting harbors like Coos Bay, Port Orford, Port of Siuslaw and Bandon, in Oregon, there would be a double benefit of both protecting the ports and harbors from currents and storms, but also reducing the long-term maintenance annual dredging needs for these harbors. Unfortunately, based on the Corps' implementation guidance for Section 1104 of WRDA 2016, the Corps intends to implement this provision by relying on project-by-project, rudimentary observation of jetties and breakwaters, rather than doing a comprehensive review of these structures.
 - a.) What is your rationale for carving up the Congressional direction for a nationwide inventory and assessment of breakwaters and jetties to a project-by-project review? The language in the WRDA statute specifically calls on the Corps to take a big-picture assessment of our breakwaters and jetties so we in Congress can get a sense of scale on the need to repair, upgrade, and replace these critical structures; yet, your guidance proposal continues to rely on piecemeal investigations where Congress can never get its hands around the true scale of potential infrastructure challenges that lie ahead.
 - b.) Is this a funding issue, or is it a purposeful decision for the Corps (or the Office of Management and Budget) not to want to understand the full-scope of our water infrastructure challenges?
 - c.) Do you recognize that Congress gave you a specific statutory obligation to look at this issue, at federal expense, and not the piece-meal approach you seem to want to undertake?

Responses were not received at the time of publication.

2. In your response to my question on the HMTF, you stated that "I know that you are very concerned about jetties. We are doing a study, and we are going to have that study done in about four months, and that should lay out some of those answers." Can you provide me with additional information on what, exactly, the Corps is looking at with this study?

Response was not received at the time of publication.

3. In response to questions posed during the hearing regarding the Corps' progress on updating flood mitigation data and modeling needed as the U.S. begins negotiations with Canada on the Columbia River Treaty, you noted the Corps is also working on data required for the Environmental Impact Statement on the Biological Opinion for the Federal Columbia River Power System (FCRPS). At the time, you did not have exact information and stated that he would follow up with answers. As such, please provide the Committee with answers to the following:

- a.) What data and modeling efforts has the Corps completed for the FCRPS biological assessments? What more needs to be done, and when will it be completed?
- b.) What data and modeling efforts has the Corps completed for the Columbia River Treaty negotiations? What more needs to be done, and when will it be completed?
- c.) Can any of the data and modeling being performed for the FCRPS biological opinion also be used for Columbia River Treaty negotiations?
- d.) Does the Corps have the funding needed to complete both projects on time? If not, how much additional funding will be needed to achieve this?

Responses were not received at the time of publication.

Submitted on behalf of Congresswoman Eleanor Holmes Norton (DC-Delegate):

1. The Washington Aqueduct's wholesale users-DC Water, Fairfax Water and Arlington County-underwrite the full cost of the Aqueduct's operations, the employees' salaries and benefits, and the facility's plant and equipment, to provide water to federal facilities, including the United States Congress, in addition to D.C. residents. Since 1996, that capital investment totals more than \$300 million. DC Water buys about 73 percent produced at the Aqueduct, funding the majority of these capital investments. The federal government provides no funds in annual appropriations to the Aqueduct.
 - a.) How does the federal government plan to compensate the wholesale users should the federal government sell its interest in the Aqueduct to a private party?
 - b.) What is a fair price for the Aqueduct, given the capital investments made by DC Water and Virginia water purchasers, and how would it be calculated?

Responses were not received at the time of publication.

2. One of the rationales that the Trump administration has put forth for selling the Aqueduct is that it "would contribute to economic prosperity through a more efficient allocation of economic resources."

- a.) If the Aqueduct were sold to a private company, would that company have to raise rates to realize a return on its investment?
- b.) If not, how would the private company recover its costs?

Responses were not received at the time of publication.

3. Arlington County and Fairfax Water have alternative sources from which to buy their water, such as from the Potomac River and Occoquan Reservoir. If a private company raised rates, Arlington County and Fairfax Water might stop buying water from the Aqueduct, leaving DC Water and the federal government as its only customers.

- a.) By how much would rates increase if the Aqueduct's new owner charged to make up for the loss of the Virginia water customers?

Response was not received at the time of publication.

4. Currently, DC Water, Arlington County, and Fairfax County sit on the Aqueduct's Wholesale Customer Board, and they have a say in the operations and capital investments at the Aqueduct.

- a.) If the Aqueduct were sold to a private entity, would that entity have a Board? If so, who would sit on the Board?
- b.) What input, if any, would the current primary customers-who have historically funded improvements-have in the future operations and investments of the Aqueduct?

Responses were not received at the time of publication.

5. What is the timeline for divestiture of the Aqueduct or for arriving at a decision on divestiture?

Response was not received at the time of publication.