

President's Fiscal Year 2008 Budget for U.S. Army Corps of Engineers' Civil Works released

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SEATTLE - The President's Budget for fiscal year 2008 transmitted to Congress today includes \$4.871 billion in new federal funding for the Civil Works program of the U.S. Army Corps of Engineers and includes projects in the Seattle District.

Mr. John Paul Woodley, Jr., Assistant Secretary of the Army for Civil Works, said, "This civil works budget is the highest ever to be forwarded to Congress, and it provides critical funding for the U.S. Army Corps of Engineers to continue to contribute to the nation's economic and environmental well being. The increased level of funding in this Budget, at a time when the Nation is at war, reflects the importance of this critical program.

"The budget funds the planning, design and construction of projects for commercial navigation, flood and coastal storm damage reduction, and aquatic ecosystem restoration that will provide a high return on the nation's investment. The budget also emphasizes the performance of existing Civil Works projects by funding their operation, maintenance and rehabilitation at a level 9 percent higher than last year's budget," Woodley continued.

The Army Civil Works program additionally contributes to the protection of the nation's waters and wetlands; the restoration of sites contaminated as a result of the nation's early atomic weapons development program; and emergency preparedness for natural and manmade disasters.

The new federal funding in the Civil Works budget consists of \$3.889 billion from the general fund, \$735 million from the Harbor Maintenance Trust Fund, \$209 million from the Inland Waterways Trust Fund, \$37 million from Special Recreation User Fees, and \$1 million from Disposal Facilities User Fees.

The new federal funding will be distributed nationally as follows among the appropriation accounts:

- \$2.471 billion for Operation and Maintenance, including \$3 million for Chief Joseph Dam gas abatement work, and \$16 million for Howard Hanson Dam fish passage work
- \$1.523 billion for Construction, including \$11.5 million for fish passage construction at Mud Mountain Dam near Enumclaw, Wash.
- \$90 million for Investigations, including money budgeted for the Puget Sound Nearshore Marine Habitat study
- \$180 million for the Regulatory Program
- \$130 million for the Formerly Utilized Sites Remedial Action Program
- \$40 million for Flood Control and Coastal Emergencies

Other sources of funding are estimated at \$535 million, which includes federal funding of \$81 million from the Coastal Wetlands Restoration Trust Fund and \$9 million in Permanent Appropriations. It also includes \$445 million paid by non-federal interests as Rivers and Harbors Contributed Funds.

The FY08 budget is a performance-based budget. It uses six objective, performance-based guidelines to select the highest performing construction projects. Three key guidelines for FY08 are the use of Benefit-to-Cost Ratio (BCR) as a performance measure (rather than the FY07 performance measure of Remaining Benefit to Remaining Cost Ratio (RBRCR)); consideration of significant risk to life and safety for flood and storm damage reduction projects; and giving priority to aquatic ecosystem restoration projects that are cost effective, that help to restore regionally or nationally significant ecosystems, and that either remedy impacts from existing Civil Works projects or warrant the Corps' expertise in modifying the aquatic regimes of watersheds.

In recent years, many more construction projects have been authorized, initiated and continued than can be constructed efficiently. This has postponed benefits from the most worthy projects and significantly reduced overall program performance. To remedy this and achieve greater value from the Civil Works construction program, the budget funds 69 construction projects including those that provide the highest net economic and environmental returns on the nation's investment; that address significant risk to human safety; and dam safety assurance, seepage control, and static instability correction efforts. They include six national priority projects; 11 dam safety assurance, seepage control, and static instability correction projects; 52 other continuing projects.

By Corps business line, the 69 funded construction projects comprise 43 Flood and Coastal Storm Damage Reduction projects, 17 Navigation projects, six Aquatic Ecosystem Restoration projects (including one also listed as a Navigation project), and four Hydropower projects.

The FY08 Operation and Maintenance (O&M) account is funded at \$2.471 billion, a \$213 million (more than 9 percent) increase from the FY07 budget.

Among existing navigation projects, the FY08 budget gives priority to the operation, maintenance, and rehabilitation of harbors and waterway segments that support high volumes of commercial traffic, including the nation's three busiest inland waterways – the Ohio River, the Mississippi River, and the Illinois Waterway. The budget also funds harbors that support significant commercial fishing, subsistence, or public transportation benefits.

The FY08 budget funds several activities in the O&M budget that have been traditionally funded in the construction budget. These changes, first proposed in the FY07 budget, are intended to improve accountability and oversight, reflect the full cost of operating and maintaining existing projects, and reflect an integrated investment strategy. The activities are:

- Rehabilitation of navigation and hydropower infrastructure, where the extent of the work is not large enough to be considered a replacement.
- Endangered Species Act compliance at operating projects.

- Construction of facilities, projects or features (including islands and wetlands) to use materials dredged during federal navigation maintenance activities.
- Mitigation of impacts on shorelines due to the operation and maintenance of federal navigation activities.

The FY08 Civil Works budget includes three significant aquatic ecosystem restoration initiatives. They are:

- Missouri River Fish and Wildlife Recovery
- Everglades/South Florida Ecosystem Restoration
- Chicago Sanitary and Ship Canal Dispersal Barriers on the Illinois Waterway

The Corps' FY08 Regulatory Program is budgeted at \$180 million, a \$7 million increase from the FY07 budget and an increase of \$42 million when compared to the FY03 appropriation. These funds will enable the Corps to continue to protect and preserve the nation's water-related resources, improve compliance and enforcement of wetlands regulations, and improve the permitting process.

Funding for emergency preparedness is increased by 25 percent from the FY07 budget to \$40 million. The budget will prepare the Corps to more effectively respond to natural and manmade disasters through increased emergency response training; improved coordination and communication with other federal, state and local agencies; maintenance of larger emergency supply inventories; and the purchase of additional rapid response vehicles.

The budget also includes about \$20 million dollars to apply lessons learned from hurricanes Katrina and Rita, \$10 million to continue the national inventory and assessment of flood and storm damage reduction projects, \$10 million to assess the safety of the Corps' portfolio of dams, and \$2 million for increased cooperation with FEMA's flood plain programs.

Recreation activities are provided \$267 million in FY08 from the O&M and MR&T accounts. The budget re-proposes a recreation facility modernization initiative through which the Corps would fund a portion of the cost to maintain and upgrade recreation facilities through the collection of additional user fees and partnerships with non-federal interests.

The FY08 budget includes an Administration proposal to collect user fees that would provide revenues for the Inland Waterways Trust Fund and promote the efficient use of the nation's inland and intracoastal waterways. The proposed fees would require the commercial interests that benefit from federal capital investments on the waterways to bear a greater share of the costs.

To provide greater near-term hurricane and storm damage reduction for the broader New Orleans metropolitan area, the budget includes FY07 supplemental language to reallocate up to \$1.3 billion in existing unobligated funds from the 4th Emergency Supplemental Act of 2006 (Public Law 109-234) to fund the highest priority activities in the 3rd Emergency Supplemental Act of 2006 (Public Law 109-148). The reallocated funds would be used by the Corps to continue to restore protective works to their design levels and to accelerate the completion of unconstructed portions of authorized protective works.

The mission of the United States Army Corps of Engineers, the world's preeminent public engineering agency, is to provide quality, responsive engineering services to the Nation and its armed forces. The Corps plans, designs, builds and operates water resources projects; designs and manages military facilities construction for the Army and Air Force at home and abroad; provides design and construction management support for other Defense and federal agencies; cleans hazardous areas across the Nation through the Formerly Used Defense Sites program and the Formerly Utilized Sites Remedial Action Program; and conducts state of the art engineering research and design at its Engineer Research and Development Center.

The FY08 Army Civil Works budget information, including a state-by-state breakdown, is available at <http://www.usace.army.mil/cw/cecwb/budget/budget.pdf>

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For additional information about the United States Army Corps of Engineers, please visit our website at www.usace.army.mil