

**DEPARTMENT OF THE ARMY CORPS OF ENGINEERS**

**COMPLETE STATEMENT**

**OF**

**JO-ELLEN DARCY**  
**ASSISTANT SECRETARY OF THE ARMY (CIVIL WORKS)**

**BEFORE**

**THE COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS**

**UNITED STATES SENATE**

**ON**

**IMPLEMENTATION OF CORPS OF ENGINEERS WATER RESOURCES  
POLICIES**

**February 7, 2013**

Madam Chairman and Members of the committee, I am honored to testify before you today on the implementation of the U.S. Army Corps of Engineers water resources policy.

To address the Nation's water resource infrastructure needs, and continue to provide greater value to the Nation, the Army Corps of Engineers is working to transform the Civil Works program to improve performance and responsiveness, enhance the quality of products, increase customer satisfaction, build public trust and confidence, and most importantly, improve the reliability of the Nation's infrastructure.

Before I address these transformation initiatives, I would like to discuss the four items you mentioned in your letter and will also address implementation of policies that this Committee was so integral in championing during the development of the Water Resources Development Act of 2007. Title II of WRDA 2007 included provisions that provide guidance and policy direction to the Corps.

**Vegetation on Levees:** Over the last few years, the Corps has been looking in depth into the issue of how vegetation impacts infrastructure performance world-wide; has been advancing its woody vegetation research efforts; and has been using this information and working collaboratively with other Federal agencies and local levee authorities to develop the best path forward for managing vegetation on or near public safety infrastructure in the United States.

The Corps recognizes that there are many existing levees with noncompliant vegetation. The Corps has put in place a process to provide levee sponsors an extended period of time, if needed, to address any deficiencies related to vegetation that may require a multi-year effort or coordination between multiple entities. In addition, this policy supports prioritizing deficiencies such that the highest risk deficiencies are addressed first in order to optimize flood risk reduction. .

The Corps also recognizes that there may be some instances where the removal of vegetation may not be consistent with the requirements of applicable environmental laws, regulations, Executive Orders, and treaties or the vegetation may need to remain to preserve the rights and interests of Native Americans. For these situations, the Corps has a vegetation variance process that considers the implementation of alternative vegetation management standards for a levee or portion of a levee as long as structural integrity and functionality of the levee are retained.

It is important to note that vegetation management is just one aspect of a levee system and should not be considered in isolation. There are many other aspects that are important to levee integrity such as seepage and slope stability. In some cases, vegetation may not be the most high risk deficiency. Each levee and its condition must be considered in its entirety so well informed decisions for prioritizing levee safety actions can be made. The Corps policy enables levee sponsors to address the highest risk issues first.

Approving In-Kind Credit for Corps projects: The Corps issued an Engineering Regulation (ER 1165-2-208), which provides guidance on the implementation of Section 221 of the Flood Control Act of 1970, as amended by Section 2003 of WRDA 2007 (Section 221). Section 221 applies to the study and construction of Corps water resources projects and provides for the affording of credit to the non-Federal sponsor for planning, design, and construction work if the work is determined to be integral to the project. The guidance ensures consistent credit application across the Corps mission areas.

Establishing Operating Hours for Corps Locks: The Corps does not operate all of its locks 24 hours per day, 7 days per week. The Corps is implementing a system-wide, uniform approach to standard levels of service. We do not plan to close any locks, but will be adjusting the operating hours of service on our locks with the lowest level of commercial use – those with less than 1,000 commercial lockages per year. This impacts approximately 54 of the Corps 239 locks. The Corps is conducting meetings with stakeholders in order to minimize impacts to users. The reduced levels of service will reduce wear and tear on operating components, extend the life of the assets, reduce operating expenses, and allow the Corps to focus savings on higher priorities, including funding for the maintenance of some of the affected locks.

Applying Engineering Standards for Flood Damage and Hurricane Protection Projects: The Corps is using a risk informed process to both confirm and adjust the application of post-Katrina standards to other projects. This results in a more appropriate and cost-efficient design approach. We have also developed specific guidance on a single national elevation datum to ensure consistent communication of design heights, on site specific sea level rise to ensure regional adaptation of climate change, and on wall and levee design to ensure consistent design and construction based on local conditions.

In response to the enactment of WRDA 2007, the Corps has also been actively integrating the following efforts into its business practices.

- The Corps has implemented the new procedures for fish and wildlife mitigation and the monitoring of ecosystem restoration projects for ecological success, including annual mitigation status reports to Congress.
- The Corps has successfully and proactively integrated the requirements for external independent peer reviews and safety assurance reviews into its operating procedures.
- The Corps is actively modernizing its planning program and processes.
- The Corps has completed the compilation of laws. This is extremely beneficial to Corps partners and stakeholders, Corps personnel, and congressional staff wanting to research laws pertaining to the Corps water resources program.

For the last several years, the Corps has been developing a strategy to address major challenges including ensuring the performance of the key features of the Nation's

infrastructure, and responding to shifting demographics, changes in societal values, and climate variability. The intent is to better equip the Civil Works program to effectively meet current and future needs and ensuring decision makers are fully informed. This strategy is focusing on four main areas - planning modernization, budget development transformation, infrastructure strategy, and methods of delivery.

The Corps planning modernization effort emphasizes execution, instills accountability, and improves the organizational and operational model to produce quality products that address water resources priorities. Part of this modernization focuses on improving the knowledge and experience level of Corps planners through additional training, professional certification, and updated planning guidance. The current focus of our planning modernization effort is facilitating the timely completion of decision documents that appropriately address the increasingly complex water problems that plague communities and constrain economic activity. For decades, the Corps has seen a steady increase in the costs and time required to complete investigations. This trend delays the realization of benefits from the construction of a project. The Corps has recognized the need to modernize its approach, through an initiative that we call SMART Planning.

SMART stands for Specific, Measurable, Achievable, Risk-Informed and Timely. SMART Planning encompasses a new approach to investigations, accountability, and portfolio management. The new approach to investigations reduces resource requirements, both time and money, by appropriately focusing on the key drivers in resolving problems while complying with all applicable laws and.

The goal under SMART planning is to complete most feasibility studies within 3 years for \$3 million dollars or less. The end product is a decision document that has been fully coordinated by three levels of the organization (Corps headquarters, the Corps division office, and the Corps district office) from study inception to completion. As a shorthand, we are calling this goal "3x3x3". The Corps expects full implementation of this new approach in FY 2014 and has been working with its Federal and non-Federal partners to use this new approach in evaluating water resources problems.

The Corps is prioritizing its current portfolio of planning studies and applying the 3x3x3 approach to new and ongoing studies. The Corps has reduced the number of active studies in its portfolio and is focusing efforts on completing these studies more effectively by prioritizing funding. The more timely completion of studies will allow the Corps to better use its investigation funding. Since enactment of the Water Resources Development Act (WRDA) of 2007, 19 reports on proposed projects have been forwarded to this Committee, 11 of which were completed in fiscal year 2012.

The Civil Works budget is performance based. In order to achieve budget transformation goals, we must continue to prioritize Federal funding on the highest performing projects and studies. We are working to ensure that the budget development process considers the entire portfolio of potential studies and projects.

The funded projects will be completed more quickly, thereby facilitating the realization of benefits for those projects that offer the best return on investment for the Nation.

The Civil Works transformation links national objectives, strategic goals, and current and emerging needs using a systems-based watershed approach. When implemented, this new process will compare outcomes of competing studies and projects based on their returns. Collaboration with our customers, stakeholders, and the public (including input from the Congress) will enable us to successfully implementing this approach.

Ensuring the continued performance of the key features of our infrastructure is becoming more costly over time, in part because of the age of the components of some of our projects, but also due to increases in the cost to repair and rehabilitate them periodically. Operational demands have also grown and changed, particularly over the past 30 years, creating additional stress. I am working with the Corps on an infrastructure strategy to address these growing needs. The infrastructure strategy incorporates four focus areas: an integrated approach to manage assets, managing the system over its life cycle, evaluating whether a project or group of related projects should remain a Federal responsibility prior to making a substantial further investment, and potential alternative financing mechanisms.

Preliminary efforts in this area include the development of a national inventory of Corps assets that includes the results of an assessment of the condition of each major infrastructure component. This will help us to develop a long term strategy to manage these assets and reduce risk, as well as help us determine where priority investments need to be made. End of life cycle decisions will be made regarding which projects to retain and recapitalize, which projects to repurpose, and which projects to recommend for de-authorization and decommissioning.

The Administration is exploring alternatives for infrastructure financing, including public private partnerships and an infrastructure bank. The intent of this strategy is to facilitate the best use of federal and non-Federal dollars to reduce risk and improve the reliability of the Nation's water resources infrastructure.

Transforming the way we deliver the Civil Works program requires state of the art processes and a highly skilled workforce that is capable of responding to current and future demands. The strategy is to have reliable and efficient methods of delivery by linking technical capabilities to uniform national standards, maintaining core competencies, and having consistent methods, processes and approaches throughout the Corps. The desired end result is high quality and timely products and services delivered to our customers and stakeholders. To that end, for example, the Corps has established Centers of Expertise for major dam safety modifications, inland navigation design, and deep draft navigation economics.

The Army Corps of Engineers has a strong tradition of working collaboratively with non-Federal interests to plan and deliver products. The current transformation initiative is no different. Our transformation partners include states, tribes and local governments,

non-governmental organizations, non-profit agencies, and the public. These partnerships are increasing and will likely continue to increase as we share a common goal of having reliable and resilient infrastructure for our Nation.

Madam Chairman and members of the committee, this concludes my testimony. I look forward to continuing to work with this Committee on these very important issues. Thank you.