

## Table of Contents

U.S. Senate	Date: Tuesday, May 9, 2017
Committee on Environment and Public Works	Washington, D.C.
STATEMENT OF:	PAGE:
THE HONORABLE JAMES INHOFE, A UNITED STATES SENATOR FROM THE STATE OF OKLAHOMA	9
THE HONORABLE BENJAMIN CARDIN, A UNITED STATES SENATOR FROM THE STATE OF MARYLAND	12
LIEUTENANT GENERAL TODD T. SEMONITE, COMMANDING GENERAL AND CHIEF OF ENGINEERS, U.S. ARMY CORPS OF ENGINEERS	17
JAMES K. LYONS, DIRECTOR/CEO, ALABAMA STATE PORT AUTHORITY	23
GRANT HUMPHREYS, TOWN FOUNDER, CARLTON LANDING, OKLAHOMA	28
PETE K. RAHN, MARYLAND SECRETARY OF TRANSPORTATION	34
RICK GOCHE, COMMISSIONER, PORT OF BANDON	39

WATER RESOURCES: THE ROLE OF THE PUBLIC AND PRIVATE SECTORS

TUESDAY, MAY 9, 2017

U.S. SENATE

Committee on Environment and Public Works

Subcommittee on Transportation and Infrastructure

Washington, D.C.

The subcommittee met, pursuant to notice, at 2:33 p.m. in room 406, Dirksen Senate Building, the Honorable James Inhofe [chairman of the subcommittee] presiding.

Present: Senators Inhofe, Capito, Boozman, Moran, Ernst, Sullivan, Shelby, Cardin, Merkley, Gillibrand, Markey, Duckworth and Harris.

Senator Inhofe. Committee will come to order.

Since we do have members here who want to be recognized to introduce different ones, I happen to be one of those, I think we might go ahead before opening statements and do that before we lose someone.

We already know Lieutenant General Todd Semonite. This is your third time here, is that correct?

Lieutenant General Todd. Yes, sir.

Senator Inhofe. You are a regular here.

I would recognize at this time Senator Cardin to introduce Pete Rahn.

Senator Cardin. Mr. Chairman, thank you very much.

It is a pleasure to have Secretary Rahn here before our committee. He is the Secretary of Transportation for Maryland.

As I was telling the Chairman, this is the third State where he has been Secretary of Transportation. He has also directed the Missouri Department of Transportation and the New Mexico State Highway and Transportation Department. He just cannot hold on to a job.

We are very proud of the work he does in Maryland. We have a pretty challenging organization in Maryland where the Secretary of Transportation is responsible for all modes of transportation and coordinating all modes of transportation.

Mr. Rahn has done an outstanding job in directing that

department. It is a very large budget.

He also served as President of the American Association of State Highway and Transportation Officials from 2007 to 2008. He has served in other positions in national leadership. We are proud to have him before our committee.

Senator Inhofe. Very good.

I will recognize Senator Merkley for your introduction.

Senator Merkley. Thank you, Mr. Chairman and Ranking Member, for holding this subcommittee hearing to discuss the importance of investing in our ports and waterway infrastructure.

I am pleased to introduce Bandon Port Commissioner Rick Goche from my home State of Oregon who is here to testify. Not only is he a port commissioner, he has been a fisherman and small businessman for almost 50 years. He is involved in many aspects of the fishing community. He owns and operates a fishing vessel, *Peso II*, and owns the Sacred Sea Tuna brand.

He is the Chairman of the Oregon Albacore Commission. He is President of Aquatic Resources Inc., a consulting group for live seafood holding and shipping. He is Chairman of FISHCRED, a statewide fishermen's organization.

Very few people know as intimately as Rick the importance of maintenance for our small ports, our navigation channels and our jetties. In fact, Rick should probably be at home preparing

his boat for annual maintenance but he is here on behalf of the fishermen whose lives and livelihoods depend on this funding to make sure they can get to safe harbor.

He has crossed about every bar between San Francisco and Canada. He is here to advocate for the Army Corps budget to make sure our small ports stay the economic driver of our coastal communities.

Thank you for being here, Commissioner. We appreciate it.

Senator Inhofe. Thank you. Welcome, Commissioner Goche.

Senator Shelby, would you like to introduce Mr. Lyons?

Senator Shelby. Thank you, Chairman Inhofe and Ranking Member Cardin.

It is a great opportunity for me today to introduce James Lyons who is the Director and CEO of the Alabama State Port Authority. I am glad he could join us here today.

I have known Jimmy and his family for many years and the work he has done at the Port Authority of Mobile. The Port of Mobile has not only been vital to our State but also to the Gulf Coast Region.

Jimmy, as I said, is the Director and CEO of Alabama State Port Authority. The Port of Mobile is currently the tenth largest U.S. seaport in import and export of domestic trade by total volume.

The port's largest commodities are coal, crude oil, steel

and petroleum. In any given year, between 52,000,000 to 67,000,000 tons of cargo is moved annually through the port. That number continues to grow.

Jimmy Lyons has continuously worked to meet the growing demands of post-Panama Canal market. In 2014, the Port Authority submitted a request to the Corps of Engineers to consider increasing the depth and width of the Mobile Harbor channel to its authorized dimensions.

The Corps subsequently began a general reevaluation report which examines potential costs and benefits associated with the deepening and widening of the port. This study is expected to conclude in 2019.

Mr. Chairman, the Port of Mobile provides access to nearly 15,000 miles of inland waterways serving the Great Lakes, the Ohio Valley, the upper Mississippi and Tennessee Valley ports. Simply put, the ports serve as an economic driver for much more than just Mobile.

The new Administration has made economic growth a top priority to ensure that our industries and businesses, big and small, can continue to compete in the increasingly complicated global marketplace.

To facilitate this growth, it is important that Congress make infrastructure legislation a priority. The Corps plays, as we all know an important role in modernizing our Nation's

waterways. Corps projects provide more than \$100 billion annually in net economic benefits. I believe this demonstrates the job creation and economic growth associated with such investments.

I am thankful the committee today, under your leadership, is working to understand the challenges we are facing. I look forward to the testimony of all the witnesses.

Thank you, Mr. Chairman.

Senator Inhofe. Director Lyons, welcome.

I will not say we saved the best to last; that sounds a little self-serving but we have Mr. Grant Humphreys, Town Founder of Carlton Landing, Oklahoma. I am happy to have Grant here. I have known his daddy, Kurt, for longer than he has been alive. It is a pleasure having you here in the capacity of what you are doing successfully in Oklahoma.

He is a real estate developer, investor and homebuilder. About ten years ago, Grant began the process of founding and developing Carlton Landing at Lake Eufaula, Oklahoma.

Some of you may not be aware of the fact that Oklahoma has more miles of freshwater shoreline than any of the 50 States. Did you know that, Senator Shelby?

Senator Shelby. I did not.

Senator Inhofe. In Carlton Landing, Grant has embarked on an ambitious project which is already showing great successes

which he will be sharing with us.

In addition to founding and developing Carlton Landing, Grant is also the founder and principal of Traditional Craft Homes, a home building company providing custom and specific production homes.

In developing a project on Lake Eufaula, Grant has become involved with a community of lake developers in the region and can speak to his experience and that of others with getting a project started.

I welcome you here today, Grant.



STATEMENT OF THE HONORABLE JAMES INHOFE, A UNITED STATES SENATOR  
FROM THE STATE OF OKLAHOMA

Senator Inhofe. Today's first Transportation and Infrastructure Subcommittee hearing is on a subject that is very important to Nation, including my home State of Oklahoma. Our Nation's water resources provide our economy with a platform for the movement of goods to facilitate trade with the world, bring jobs and many other benefits to the communities that surround them.

U.S. Corps of Engineers projects generate over \$109 billion annually in economic benefits and generate over \$34 billion in revenue to the United States Treasury.

Unfortunately, like most of our infrastructure, our water resources are aging and in great need of repair and upgrading. Recognizing this need, the last two Congresses have worked to authorize new projects and create reforms to provide more federal funding and also private investment, something we could not do not too long ago.

Today's hearing will explore the benefits our water resources provide to local and national economies and examine the continued needs that must be met so the U.S. can remain globally competitive, provide jobs and other local benefits here at home.

In Oklahoma, we know these benefits firsthand with ports

along the McClellan-Kerr-Arkansas Navigation System connecting Oklahoma with the Mississippi River and with the rest of the world.

With over 20 Army Corps of Engineers-managed lakes in my State, our industries and our citizens know the impact of our many water resource projects through cheaper goods, cheaper electricity, jobs, flood protection and many recreational opportunities.

The McClellan-Kerr-Arkansas River Nation System is 445 miles long and spans Arkansas and the eastern part of Oklahoma. Between the Port of Muskogee and Tulsa Port of Catoosa, Oklahoma ports are home to over 70 companies and industries shipping 5.7 million tons of cargo with values of \$22.56 billion, employing more than 6,500 Oklahomans and creating an overall economic impact of more than \$400 million to my State each year.

The ability to move all kinds of goods without relying solely on one form of transportation keeps shipping costs low, benefitting companies that ship their wares regionally and globally, and benefitting consumers who can further stretch their dollars.

In addition to moving products and manufactured goods, other Army Corps projects help our communities by providing for flood risk management, water storage, hydropower and recreation.

Every authorized use of a Corps project allows the

surrounding communities to realize a greater potential for economic development and improves the quality of life for those who depend on the infrastructure either directly or indirectly.

The challenge before us today is to understand the full need for repairing and maintaining our current infrastructure and the need for new projects to ensure that the United States remains globally competitive and our communities continue to reap the benefits of the Army Corps infrastructure.

With the top of infrastructure in the news during the election cycle and within the new Administration, the time is now to work toward solutions to meeting these needs.

I thank our witnesses for being here today.

I want to make one comment about the attendance here. This is taking place at the same time we are having a Senate Armed Services Committee hearing of which I am the Ranking Member, so it is difficult to be in two places at once. We will be going back and forth.

Senator Cardin?

[The prepared statement of Senator Inhofe follows:]

STATEMENT OF THE HONORABLE BENJAMIN CARDIN, A UNITED STATES  
SENATOR FROM THE STATE OF MARYLAND

Senator Cardin. First, Mr. Chairman, let me say what a pleasure it is to be sitting next to you in this committee as we convene the first public hearing of our subcommittee.

Senator Inhofe and I came to the United States Congress on the same day in the House of Representatives. We have been friends ever since. It is a real pleasure to serve with him on this subcommittee because, I am going to let you in on a secret, Senator Inhofe is one of the most progressive people I know in this Country on infrastructure development.

Senator Inhofe. I am glad you qualified that.

Senator Cardin. I always told him I would be glad to come to his State to campaign for him but he told he would prefer me to stay in Maryland.

The two of us share a passion for the importance of water infrastructure, roads and bridges, and transit systems for the entire modernization of our infrastructure because both of us understand it means jobs. It means U.S. competitiveness. It means America having the ability to compete globally. That is what it means. We recognize the importance of the governmental part, the private sector part and putting this all together.

I particularly want to acknowledge my pleasure to serve as the Ranking Member with Senator Inhofe on this subcommittee. I

think it is very appropriate that our first hearing deals with the role of public-private sector and water resources because we need both.

You heard Senator Inhofe brag a little bit about his State on water projects. Well, I could spend the next two hours talking about the State of Maryland. I am not going to do that but I am going to compliment again Secretary Rahn for the leadership we have in our Maryland port.

I had a briefing on the Maryland port last week. We are doing extremely well. For January 2017, the Port of Baltimore hit another record month. We are the closest to the Midwest and any other East Coast port which gives Maryland an advantage. We rank ninth overall in value of cargo. Baltimore is well known for the cars that come in and out of that port as the largest in that region. We are significantly increasing our capacity on containers, we handle a great deal.

One of the facts I have to put in the record and brag about is the General Commerce ranked the Port of Baltimore as number one in the Nation for container berth productivity for three years in a row, with the port averaging 71 container movements each hour per berth. We are pretty efficient and are proud of our efficiency in the Port of Baltimore.

Under our State leadership, we moved quickly recognizing that the expansion of the Panama Canal would allow larger

vessels to be able to be handled. We had to add the facilities to the Port of Baltimore in order to be able to deal with that. Baltimore is one of only four eastern U.S. ports with a 50-foot channel and a 50-foot container berth allowing it to accommodate some of the largest container ships in the world.

On July 19, 2016, the Ever Lambent cargo carrier from Taiwan was the first super-sized container ship to reach Baltimore through the Panama Canal, so we are ready. It is critically important to our economy.

I have some numbers. This will be typical of just about every port in our Country. The business from the port generates 13,000-plus direct jobs, with more than 127 jobs in total in Maryland linked to the port activities. This is very important to our economy. Three billion dollars in wages and salaries contribute more than \$310 million to State and local tax revenues.

This is important business for a Senator from Maryland. It is important business for a Senator from every one of our States. That is why we are particularly pleased to have this hearing.

I do want to point out that we cannot do this just by one of the stakeholders alone. We appreciate the role the Federal Government plays. It is very important, the direct help of water resources. We will talk today a bit about the next

important leg in Maryland which is Mid Bay on the dredging materials and reclaiming of lands.

My predecessor, Senator Sarbanes, was directly responsible for Poplar Island, which has been a great success and a model for the Nation, allowing reclaiming of land as well as location for dredge material. We now need to move on to Mid Bay, which has already been studied. I think we are on track, but we will talk about it.

We also need the roads, the bridges, the rail and also the private sector. This hearing is an attempt to try to understand that we need all the above. I hope, as a result of this hearing and further hearings we have, that we will be able to get the investments by the public and private sector so that American, indeed, be competitive in our port and water activities so we can get the job growth that the people of this Country need.

[The prepared statement of Senator Cardin follows:]

Senator Inhofe. Thank you, Senator Cardin.

Let me say that we have worked so well together for so many years and we work on things that actually become productive. Confession is good for the soul, if you will pardon me for bragging a little bit.

When we had been having our meeting with the Chairman on the Republican side every Tuesday at 12:15, when it comes to my turn, I always say, now, from the committee that actually does things because we did.

I would say to my friend, Senator Cardin, we had the FAST Act, the Water Act, we had TSCA, the Chemical Act, three of the four largest projects or bills actually passed. We are used to accomplishing things.

We have many, such as Senator Capito and I, who have other committees at the same time so, because we have five witnesses, we are going to try to get you to adhere, if you would, to the five-minute limit on your comments. Of course your entire statement will be made a part of the record.

We will start with General Semonite.



STATEMENT OF LIEUTENANT GENERAL TODD T. SEMONITE, COMMANDING  
GENERAL AND CHIEF OF ENGINEERS, U.S. ARMY CORPS OF ENGINEERS

General Semonite. General Inhofe, Ranking Member Cardin and distinguished members of the subcommittee, I am Lieutenant General Todd T. Semonite, Commanding General of the U.S. Army Corps of Engineers and the 54th Chief of Engineers.

I am pleased to be here today to discuss the role of the United States Army Corps of Engineers Civil Works Program and the associated value of water resource investments across the Nation.

The Corps has played a significant a significant role in the development of the Nation's water resources and currently manages an extensive national water resource infrastructure portfolio. This includes maintenance of 13,000 miles of coastal navigation channels, 12,000 miles of inland waterways, 715 dams, 241 locks, 14,000 miles of levees and hydropower plants at 75 locations.

These projects help provide risk reduction from flooding in our river valleys and along our coasts, facilitate the movement of approximately 2 billion tons of waterborne commerce and provide up to 24 percent of the Nation's hydropower.

There are about 250 million recreational visits a year to Corps lands and reservoirs, making the Corps one of the top federal recreation providers.

Corps water resource investments bring significant value to the Nation. For example, the United States maritime and transportation industry supports approximately \$2 trillion in commerce with over 2 billion tons of commerce moving through harbors, channels and waterways constructed and maintained by the Corps.

Approximately 98 percent of the United States overseas trade by weight and 99 percent by volume enters or leaves the United States through a U.S. coastal port. The inland waterways support this commerce by facilitating the export of approximately 60 percent of U.S. grain, 22 percent of coal and 22 percent of petroleum products.

Corps risk reduction management projects and activities provide resilient risk reduction infrastructure and prepare individuals and communities for potential floods. The Corps is responsible for the construction and operation of 383 major dam and reservoir projects that regulate floodwaters in the Nation's major rivers and tributaries and has constructed over 14,700 miles of levees in partnership with local, non-federal partners.

Additionally, the Corps has constructed over 90 major coastal shoreline protection projects along 240 miles of the Nation's coastline that provides storm damage reduction benefits to vulnerable coastal communities.

Over the past ten years, it is estimated, on average, the

Corps risk management reduction projects have prevented over \$65 billion worth of flood damages to urban and rural communities across the Nation.

The Corps maintains recreation facilities at over 400 of its multipurpose projects. The Corps has a long history of developing partnership within existing recreation authorities. It leases about half of the 5,000 recreation sites at these multipurpose projects to the public and private entities, including private sector commercial operators, States and local governments.

Private recreation sites include approximately 562 privately-owned marinas, resorts, campgrounds, boat ramps, fuel docks, convenience stores and other public use areas.

The Corps constructed much of this infrastructure in the first half of the twentieth century. Some of it is experiencing various stages of degradation and disrepair. In fact, approximately half of the Corps lock and dam facilities are more than 50 years old and bring operations and maintenance challenges commensurate with their age.

The Corps dedicates a significant amount of its resources to maintain the key features of these locks and dams, hydropower facilities and other water resources infrastructure. Per these requirements, a significant portion of the Civil Works Program is devoted to maintaining these systems so they can continue to

provide economic and environmental benefits to the Nation and to address significant risk to safety.

To support the current and future requirements of the Nation's water resource infrastructure, the Corps is exploring alternative financing and funding options, including public-private partnerships, also referred to as P-3s through an assessment of private policy requirements and application of project-specific experience. The Corps is seeking to demonstrate how collaboration between the public and private sectors may improve the Corps' ability to deliver the Nation's infrastructure needs.

The Corps recognizes that significant investments are required to sustain the performance of our water infrastructure portfolio to an acceptable level of risk. We greatly appreciate the support from the Congress in addressing these needs.

As required in WRDA 2014, the Corps provided a report to Congress in the spring of 2016 capturing lessons learned from the exploration of P-3 concepts to date. As part of that journey, and with the support of Congress, the Corps was able to start Fargo-Moorehead Risk Management Project in North Dakota.

We acknowledge the congressional direction in the recent fiscal year 2017 appropriation language regarding the need for a more robust P-3 policy and look forward to working with Congress and the Administration to develop this policy guidance.

Investments by the Civil Works Program reduces the risk of flood impacts in communities throughout the Nation, facilitates commercial navigation, restores and protects significant ecosystems, generates low cost renewable hydropower and supports American jobs.

Continued investment in critical civil works infrastructure projects is an investment in the Nation's economy, security, employment and quality of life, now and into the future.

Thank you for the privilege of testifying about the Corps' role in sustaining the Nation's water resource infrastructure and economic opportunities associated with our Civil Works Program.

I am happy to answer any questions you may have.

[The prepared statement of General Semonite follows:]

Senator Inhofe. Very good. Thank you, General.

Director Lyons.

STATEMENT OF JAMES K. LYONS, DIRECTOR/CEO, ALABAMA STATE PORT  
AUTHORITY

Mr. Lyons. Thank you, Mr. Chairman, Ranking Member Cardin, and distinguished members of the subcommittee.

My organization, the Alabama State Port Authority, is the non-federal sponsor at the Port of Mobile which as Senator Shelby mentioned, is the tenth largest U.S. seaport by total trade.

The committee understands that 80 percent of global consumption occurs outside our borders and ships carrying our commerce are getting much larger than our deepwater seaports can handle. At Mobile, Post-Panamax or wide-bodied tankers are already servicing our terminals, albeit inefficiently.

Despite our constraints, we have attracted manufacturing and retail distribution investments, including Wal-Mart's newly-announced 2.6 million square foot international distribution center which is presently under construction.

Growth is unsustainable at our current channel depth and width. My organization has invested over \$850 million in facilities and federal channel infrastructure. Two of our investments in the private petroleum terminals recently reported double digit cargo growth.

Mobile's public and private terminals generate about \$23.5 billion in economic value and employ over 154,000 people. On

the larger scale, the U.S. seaports generate \$4.6 trillion in economic value.

U.S seaports will invest \$154.8 billion and create 1.6 million jobs by 2020 and 82 percent of that investment will occur in the U.S. gulf. Ports are doing their part to grow the economy and we provide significant return on federal investment.

The time has now come for both the Administration and Congress to give equal weight to seaports when grappling with infrastructure investments. Under-investment and under-funding the Corps' Civil Works Program results in inefficient, poorly maintained harbors, thereby increasing shipper costs, reducing our global competitiveness, aggravating the maintenance, dredging backlog, adversely impacting our tax base and job market.

We must endeavor to revise law and reform procedures to better plan, fund, implement and maintain waterway infrastructure necessary for U.S. commerce. I will respectfully a few suggestions to achieve these goals.

One is continue biennial review of the Water Resources Development Act to further timely reforms. Also, the Corps should submit annually to Congress a comprehensive report on its Civil Works Program to provide line item insight to program progression and costs.

Two is the Corps should implement a strategic five year



budget cycle. Today, the Corps works on two year budgets that fail to capture any project's full capital need through implementation.

For example, the Corps' budget will only address two of the three-plus years of an authorized study and provides no guarantees for project engineering and design or construction phase funding. Once authorized projects are in the pipeline, they should be budgeted and secure funds through to completion.

Three is to provide full allocation of the Harbor Maintenance Trust Fund available funds to guarantee year-in and year-out maintenance obligations. Five year budgeting cycles could provide Congress with specifics on long range maintenance funding obligations while providing new insights into newly-authorized project maintenance.

Fourth is to streamline the 3-3-3 Rule waiver process. Complex studies require necessary science to comply with NEPA. Much of that science takes a year or more to complete. Corps guidance requires that waivers be held until its tentatively-selected plan is completed, adding up to a year to the project. Streamline the process and delegate the waiver decision authority to the division commander.

Five is to reduce or eliminate the external peer review so the Corps has qualified professionals capable of sound engineering and program delivery. Many external experts do not

understand Corps processes or mandates. The Corps focuses on educating consultants on the why rather than sound engineering further delaying implementation.

We agree we must modernize our ports and it will cost billions of dollars. As deepened and widened channels come online, there will be additional demands on the Harbor Maintenance Trust Fund.

We achieve significant gains in asset management through risk-based analysis and performance-based budgeting but we need to take a longer view towards budgeting and identifying program savings by reducing bureaucracy.

The Alabama State Port Authority thanks this committee for its leadership and recognizing the nexus between water resources and economic prosperity. I appreciate this opportunity and am happy to address any questions.

[The prepared statement of Mr. Lyons follows:]

Senator Inhofe. Thank you, Director Lyons.

Mr. Humphreys.

STATEMENT OF GRANT HUMPHREYS, TOWN FOUNDER, CARLTON LANDING,  
OKLAHOMA

Mr. Humphreys. Chairman Inhofe, Ranking Member Cardin and distinguished members of the committee, it is a pleasure to be here today.

As a third generation real estate investor and developer from Oklahoma, we the pleasure of creating places that foster community and allow folks to live healthy and rewarding lives.

Our family has had a long history on Lake Eufaula. We have been there for over 45 years now.

Ten years ago, we began a journey of creating a new town on the shores of Lake Eufaula in southeast Oklahoma. We call the place Carlton Landing. The site we chose was a 1,900-acre site that was on the same cove where I learned to water ski as a boy. The land is connected to 10 miles of shoreline that is either owned or controlled by the Corps of Engineers.

It is our desire that Carlton Landing would be seen as a model for good development, the kind that conserves our natural assets, that provides a boost to rural economies and creates great places for people to live, work, create and play.

Before I share a story, I want to say a few words about the Corps staff. We have worked closely with the Corps staff since 2007 and have built a good rapport. To their credit, we found them to be accessible, responsive, capable and committed. I

have great respect for their authority and the critical nature of their mission.

Here is our story. In 2008, we put together a master plan for Carlton Landing which included 3,000 homes, a town center, shops, restaurants, schools, churches, parks and trails. The vision was to create a complete lakefront community. Since the Corps controlled all access to the lake, from the beginning we understood that our ability to implement that vision would be absolutely dependent on our ability to work with the Corps.

We requested a minor zoning change that would allow us to have walking trails to access the lake, must a four foot-wide, gravel chip trail. It was suggested that we partner with a conservation group, so we partnered with the Nature Conservancy. Then it was suggested that we might have a smoother track to get approval if we were a public entity, so we went through the process of actually taking our master plan community and incorporating it into a public municipality.

Over a three-year timeframe, through all these steps, the Corps' response to our rezoning request was professional, courteous but it was always the answer "no."

Title 36 specifically empowers the District Commander to use discretion in making minor changes to a shoreline management plan. We discovered that due to the fact that the Eufaula EIS and not been updated since 1977, the previous District Commander

at the Tulsa District Office had made promises to federal environmental agencies that absolutely no changes would be made until a new EIS was completed. EIS's take funding and Congress had deferred that funding for several sessions.

We were also informed that private money could not be accepted. The lake was in a zoning gridlock and the local Corps staff's hands were tied.

By the summer of 2010, it appeared that our vision for Carlton Landing was dead in the water. In March 2011, Senator Inhofe met directly with the Tulsa District Commander. Within days, we saw a new tone. Forward motion was realized and the Corps staff was now on a new mission to update the Eufaula EIS.

By April 2013, the EIS was completed and a new shoreline management plan was created. The rezoning action that we needed was complete.

By 2015, the Town of Carlton Landing had completed a long term lease of 420 acres of federal lands from the Corps. Today, we are working on dozens of projects still with the Corps office trying to bring that vision to fruition.

Ultimately, it took us eight years to obtain Corps permission to install a community boat dock with a gangway attached to our own land, eight years. Somehow, despite the regulatory roadblock, we were able to start and create a lake town even though we did not have lake access.

While it is true we have had success with the Corps, the journey to get here has been anything but easy. Unfortunately, our success came only after direct, top-down political pressure from the highest levels in Washington.

Without a forceful hand of political involvement to unfreeze the process and create a door of opportunity, I believe our efforts would continue to bear no fruit. In our case, the staff was well intended but their hands were tied by past commitments and regulatory gridlock.

It is unclear how many Corps projects are affected by the same structural barriers that have been established over time but issues such as the petrified EIS or a frozen shoreline management plan are a deal killer for a private developer.

This should not be the case because it limits success only to those with political connections, deep pockets and the ability to wade through unrealistic timelines. Every private sector developer project, Carlton Landing included, is absolutely dependent upon obtaining assurances of entitlements within a reasonable timeframe.

In preparation for today's hearing, I received good feedback from several developers from across the Country. Some have had a positive experience with the Corps, but several have had a very troubling experience. Some had experiences so difficult that they had to walk away from the deal resulting in

significant financial loss. I think that is more the norm than the exception.

I appreciate General Semonite's no-nonsense approach to accomplishing his mission. I believe he is the kind of leader that the Corps needs to turn around the ship and create a culture of action that brings about the desired outcomes.

I also appreciate the legislative work of the Water Resources Development Act. It gives clear direction and aims at the right targets.

In closing, there is a strong market for careful, smart, sustainable development on our Nation's lakes, rivers and waterways. The Corps is in a position to either encourage or hinder economic growth at the local level.

If we are serious about attracting private investment in and around our natural resources in a way that protects our natural assets while also maximizing their value, I believe it is necessary to set the table for developers and create a better process to clearly define the Corps' regulatory landscape in a way that works for the private sector.

Thank you.

[The prepared statement of Mr. Humphreys follows:]



Senator Inhofe. Thank you, Mr. Humphreys.

Secretary Rahn.

## STATEMENT OF PETE K. RAHN, MARYLAND SECRETARY OF TRANSPORTATION

Mr. Rahn. Good afternoon, Mr. Chairman, Ranking Member Cardin and members of the subcommittee. Thank you for inviting me to discuss the roles of the public and private sectors for our ports.

Ports are the key links in U.S. access to the global transportation network and federal navigation channels provide access to these facilities. I thank the Committee for continuing to support maritime infrastructure and commerce, especially with respect to essential dredging projects that keep our shipping channels, our maritime highways, safe and open for business. This is a high priority for the Hogan Administration.

The Helen Delich Bentley Port of Baltimore is an economic engine, not just for Maryland and the region, but for our Nation. As Senator Cardin mentioned in his opening remarks, it generates approximately 13,650 direct jobs and about 128,000 total jobs linked to port activities. It is noteworthy that the average income for the port direct job is 16 percent higher than the average Maryland salary.

Our public-private partnership agreement with Ports America Chesapeake and the availability of a 50-foot deep container berth has positioned the Port of Baltimore to attract cargo growth associated with last year's Panama Canal expansion. Our tonnage increased 9.3 percent in the first eight months since

the Canal opened. The port's coal business also increased significantly over the same period, as these ships need deep water too.

The U.S. Army Corps of Engineers has been very responsive to our port, to our shippers, carriers and congressional concerns about the planning process for channel improvements and has initiated reforms that were included WRRDA 2014.

Because of these planning reforms, WRRDA 2014 and WRDA 2016 authorized nine major port projects that provide for channel improvements to accommodate the new generation of larger and much more economically efficient ships and capitalize on the opening of the improved Panama Canal.

This inventory of new projects, along with several ongoing efforts that predate WRRDA 2014, produced an inventory of 11 projects with a total cost in excess of \$4 billion and a federal cost in excess of \$2.5 billion. Out of the 11 projects to date, only two received federal funding and a third project was completed by a port that simply could not wait for federal funding.

The average appropriation over the last eight years for coastal navigation construction has been about \$170 million per year. While this represents an increase over the Administration's budget request for those years, it requires about 15 years to clear the existing inventory.

In the highly competitive world economy, the low level of federal funding to construct navigation channel improvements is holding back America and is simply unacceptable.

It is not only navigation projects that are at issue. Like most ports, it is critical that the Port of Baltimore deliver sufficient, long-term dredged material placement capacity to support maintenance of its 50-foot deep channel in terms of both depth and width to capitalize on that anticipated growth and maintain our existing business.

The Mid-Chesapeake Bay Island project, authorized in WRRDA 2014, will use dredged material from the port's navigation channels to restore the James and Barren Islands and recreate a critical environmental resource in the Middle Chesapeake Bay.

Like all WRRDA 2014 projects, this project faces deauthorization in calendar year 2021 if it does not receive federal funds for construction by that time. The Mid-Chesapeake Bay Island Project is critical because it will provide 45-plus years of dredged material placement capacity.

Federal funding is essential to enable opening the Mid-Bay Project by the time it is needed and to avoid deauthorization. I thank the Chairman and Ranking Member for their support of the Mid-Bay Project in WRRDA 2014 and respectfully ask the subcommittee to support report language in the next Water Resources Development Act to ensure continued authorization for

the Project.

Additionally, federal funding for Corps dredging has been constrained over the last several years and continued constraints in funding will negatively impact the port. With larger ships calling today, it is imperative that Baltimore's harbor and channels be maintained at fully authorized depths and widths on a year-round basis to facilitate efficient and safe maritime commerce.

Maryland remains fully committed to working with our federal partners and the private sector to deliver safe, efficient and cost effective maritime commerce infrastructure in Maryland that contributes to the 26 percent of U.S. GDP and 23 million American jobs attributable to all ports.

Thank you again for the opportunity to testify and I would be happy to answer any questions.

[The prepared statement of Mr. Rahn follows:]

Senator Inhofe. Thank you, Secretary Rahn.

Commissioner Goche.

## STATEMENT OF RICK GOCHE, COMMISSIONER, PORT OF BANDON

Mr. Goche. Thank you, Chairman Inhofe, Ranking Member Cardin and the rest of the members. I appreciate the opportunity to speak here for small ports in the Pacific Northwest, Oregon and across the Country.

I come from a little town called Bandon, Oregon with a population of little over 3,000. I have been a commercial fisherman most of my life. Now, I fish primarily for albacore tuna.

My brother and I, when we get ready to go fishing, we supply our boat with enough provisions to be at sea for about two weeks at a time. We spend most of that time between 100 and 200 miles offshore.

Because our boats are relatively small and relatively slow, when weather is forecasted that is beyond our means to deal with, we have to go into whatever port is closest to us. When the forecast is even worse, we have to sometimes just downwind and take whatever is on that trajectory.

This is where the term "safe harbor" comes from because when weather is bad, any harbor is better than being at sea. From a fisherman's perspective, every port, whether large or small, is important.

We have preferences though. The main reason that we have preferences is because of bars. I understand some here may not

be familiar with the term "crossing a bar," but in the Pacific Northwest, understanding that term can be a matter of life or death.

The bar is a term used for where a hump is formed in the entrance to the harbor from the downstream sediment that drops when it comes up against the swells and tides of the ocean. During ebb tides, the river water speeds up and narrows at that hump and creates the pressure against the incoming swells. Those swells build and steepen and tip over and become breakers. That is where the term "breaking bar" comes from.

I did not understand until I started coming back and talking with people here that breaking bars are pretty much a unique condition relative to the rest of the coast. In the Pacific Northwest, every bar is a breaking bar at one time or another.

I could not really understand until I figured out that while these small ports budgets' were zeroed out year after year, budget after budget, Administration after Administration, now I know. So I want to help you understand how important bar dredging is in the Pacific Northwest.

There are a couple of ways to minimize the threat of a breaking bar. One is to build jetties that steer the current of the river a few degrees off the dominant swell. That has been done many, many decades ago all over the Pacific Northwest.



Because of lack of funding, most of those jetties are in disrepair and are becoming more and more dangerous and less and less effective.

Another way to minimize the deadliness of breaking bars is to dredge that hump to which I referred. Every year, sediment coming downstream comes up against the swell where the river broadens out, and drops that sediment caused by the heavy rains typical and characterize the Pacific Northwest coast.

There is one thing that both methods have in common. That is funding. The Portland District of the Army Corps of Engineers does a great job dredging our navigation channels and taking care of things, given the resources.

When insufficient funding is provided, as is often the case for small ports, the bar shallows and breaks and lives are lost. The reason lives are lost is because when those breakers are happening, a boat transiting that breaking bar comes up against a freak wave or a sneaker wave that is bigger and faster than the rest of the waves, then the boat basically turns into a surfboard, loses control and literally rolls over. Many deaths happen because of this.

In Oregon, there are 15 communities with small ports. In every one of those communities the port is the equivalent of an anchor business. Everyone sitting at this table understands that. The Port of Bandon in 2014 commissioned a study that

found that \$62 million of economic benefit is generated annually as a result of our access to sea that is maintained by the port dredging.

Operation and maintenance of our Nation's navigation infrastructure is a federal responsibility. However, chronic underfunding for ports large and small is causing our water infrastructure to deteriorate impacting safety and reducing America's competitiveness.

I have been encouraged by the recent efforts in Congress to ensure that all the monies paid into the Harbor Maintenance Trust Fund every year is used to fund the Corps of Engineers. However, we, from small ports, are concerned that this will not happen quickly enough. Many of our Nation's ports may have long since silted in by the time that money is made available.

Again, I appreciate this opportunity to speak with you. I know it might be hard to understand but if everything you have is wrapped up in your boat and your boat feeds your family, you go fishing.

Even when everything is optimal, some of us do not make it home. I am just here to ask you to give us the best chance you can that we can make it in and home to our families.

[The prepared statement of Mr. Goche follows:]

Senator Inhofe. Thank you, Mr. Goche. That was very informational.

We are going to have five minutes of asking questions. If there is a desire for a second round, we can do that.

Let me start with General Semonite. You have been before this committee several times. We have been listening to the President not just in the Administration now but when he was campaigning talking about a very ambitious infrastructure program.

I would like to ask have you had conversations either with the President or with members of the Administration concerning any of the details of what the plans are from his perspective?

General Semonite. Yes, sir. I think, first of all, the most important thing of those discussions has been a theme all of you have already said. That is that many Americans think of infrastructure as roads, airfields, and bridges. We need to continue to expand that dialogue to talk about coastal ports and inland waterways.

We have had several questions from the Administration to my staff asking specifically what are some things are significant challenges you are faced with on budgetary issues and where could there be some of those projects that would be well served by additional infrastructure funding.

The other thing, I think, is the Administration is very

interested in the potential for private-public partnerships. We have been asked a lot of questions about what would be some of the studies or cases of how you could see where a public-private partnership could take off some of the burden to the taxpayers.

The third area in which we have been asked questions is are there some things when it comes to processes or procedures where we can un-encumber you and allow you to continue to do your job perhaps in a manner that might be a bit more efficient and effective.

Working through the Assistant Secretary of the Army for Civil Works, we have provided answers to some of those questions. We do not know any outputs right now. We have mainly been in a provide mode. We do not know exactly where that is going to end up.

Senator Inhofe. I think it is important that the public knows these conversations are taking place. I have had a few conversations. Also I know that this committee is going to be a very busy committee.

You might remember in one of your earlier appearances in reference to the Tulsa District, we had that rather unpleasant experience with a senior employee's statement from the Corps of Engineers. The statement was made "If it were up to me, there would be no lake development." I want you to get in the record right now your response to that statement.

General Semonite. I think I will say the same thing I said last month. The Corps of Engineers certainly sees a very active role for private-public partnerships. With respect to our recreation facilities and some of those numbers I gave you, we would continue to endorse those.

If there was a member of my staff who felt that is not appropriate, then that is on me and I will fix that. I do think it is important to clarify though that there are some very specific examples where the appropriate procedures by the private vendor were not followed. As a result, based on our procedures, we had to request the right information, for instance, design, permitting, that kind of stuff. There could be some frustration with very specific cases that come up.

Senator Inhofe. That statement does not fit those circumstances, however.

Speaking of that, Mr. Humphreys, in your testimony, you talk about the difficulty in navigating the various permitting processes with the Corps of Engineers. Are there any examples, other than what you used in your opening statement, you would like to share with us?

Mr. Humphreys. Right now, we are going through a process on private land that extends into the lake. It is not part of the Corps' property but it is affected by a flowage easement, so the Corps has the right to flood our private property.

We are trying to put a waterfront park into this area, doing some erosion control and a swim beach and a performance lawn. This is the front lawn of Carlton Landing, a place that we have been wanting to see built out from the beginning.

We ran into an issue where the 602 line is the elevation where you can develop down to that land and not have to worry about flood risk. Below that, we did not realize that there is also a 585 line, which is the top of the conservation pool.

We have been working on this project for several months and it had to go through the local office to get to the Tulsa office into the regulatory office before we understood that just the couple feet that we are wanting to do some impact and stabilization of the erosion control of the bank below 585 was going to bump us into a general permit adding on four to six months to the process.

That was something where had we known the lay of the land from a regulation standpoint at the very beginning of the process, it could have been avoided.

Senator Inhofe. I think that is good. There is not time to give the examples that are out there but it is a bureaucratic problem. I think everyone up here knows that and everyone at the table down there knows that.

While time is somewhat limited during the course of these questions, anything we can get from the witnesses for the record

would be very helpful for us to have.

Senator Cardin.

Senator Cardin. I want to thank all of our witnesses. I found your testimony to be very helpful.

General Semonite, I certainly support, in the appropriate manner, leveraging the best we can between public-private partnerships but I also acknowledge the tremendous return we get from the public investment. The multiplier effect is as high as 22 to 1 on economic benefits and 7 to 1 in revenues generated to the U.S. Treasury. It is a good investment.

I want to get to the point that Secretary Rahn made. That is that because of the backlog of projects and the limited appropriated monies, there are delays. Those delays could very well cause previously authorized projects not to be funded within the time restrictions and could jeopardize those projects being done at all.

I take it what we are facing in Maryland is not untypical as to what is happening around the rest of the Country?

General Semonite. Sir, that is right. I think, though, it is more important to be able to make sure we understand the national ramifications of some of these projects that do not get done, so I will talk about this particular one, Mid Bay Island.

I was the Division Commander in New York and directly championed Mid Bay as we went through the civil works review

process back in 2007 and 2008. There is great potential there.

The challenge is that if we do not find a place to put dredge material, a strategic long-term plan, these harbors and ports will continue to have more and more challenges. Baltimore is going to run out of land for dredge material somewhere around 2027, based on current conditions. I could be off a year or two.

The question is, if we do not find it on the shores of the land, and that is hard because land development, condominiums and everything else are taking the shores, if we do not do it inside the water when the sediment is okay to be able to dump inside the water or if we do not build islands like Mid Bay, we do not have any other options.

All the benefits this committee has talked about in the economic piece, we have to find some solution to be able to solve these issues.

Senator Cardin. I thank you for that. That is why Congress authorized Mid Bay in 2014 because we recognized the lead time was necessary. We still had capacity at Poplar Island, we still had other capacity for dredge material, but we knew if we did not start that ball rolling, we would run out of capacity.

Mr. Chairman, I remember coming to Congress many years ago with battles on where you were going to be able to put dredge



material. It was politically impossible to find a location in the Baltimore region to put dredge material.

My predecessor, Senator Sarbanes, came up with Poplar Island and it became a win-win situation. It is now an environmental restoration project of returning wetlands and species to the Chesapeake and the location for a significant amount of dredge material but that is running near its capacity. We still have some time left and that is why Mid Bay.

Secretary Rahn, can you tell me where we are in regard to Mid Bay and how important it is that stay on track from the point of view of being authorized for the Army Corps and funded?

Mr. Rahn. Absolutely, Senator. As far as Mid Bay, you have mentioned how important it is. The plan right now is that Mid Bay would be coming on as Poplar Island, which is incredibly popular with the public as this great facility people go to see wildlife and enjoy the area, we need another place to go and that has been designated as Mid Bay.

The issue right now is that there had been a DMMP ordered by the Corps to study placement of dredge materials. That has been going on now I believe since 2011. It should be completed hopefully sometime this summer.

At that point, once we have an approved plan, then it has to go to headquarters for approval from the Corps of Engineers headquarters. Then it has to be funded. All of those things

have to occur.

Right now, we are fairly confident about approval of the DMMP plan. The critical pieces are approval from the Corps headquarters and then funding, funding, funding and we need to start with that and continue with that to make sure the Country continues to benefit from the productivity of the Baltimore Port.

Senator Cardin. If it does not stay on schedule and it is not ready, we run of capacity, does that we jeopardize the ability to have the width and depth in our channels necessary for commercial activities?

Mr. Rahn. It absolutely does. Right now, we are seeing the benefits over the last eight or nine months given the large ships that are making their way into the port. We can see that continuing and expect it to grow. That cannot occur if the channel itself is filling both from depth and width.

If we have a major storm that comes up the Bay, we will lose the capacity of the channel much sooner.

Senator Cardin. Thank you, Mr. Chairman.

Senator Inhofe. Senator Ernst.

Senator Ernst. Thank you, Mr. Chairman.

Thank you, gentlemen, for appearing here today. General Semonite, thank you very much. It is really good to see you again.

Given the topic of today's hearing, I would like to continue the conversation we have been having regarding the Cedar Rapids Flood Risk Management Project. I would like to share with everyone here today, those on the committee, those of you on the panel and in the audience that the September 2016 floods which impacted Cedar Rapids where the Cedar River crested at a level second to only the 2008, 500-year flood event, caused Cedar Rapids to lose \$26 million in sales and production due to being essentially shut down for an entire week when they were evacuated due to the floods.

As I mentioned to you before, the city of Cedar Rapids is our second largest city. Its success is critical to the entire economic well being of the State of Iowa. There are products Cedar Rapids produces and manufactures that have domestic and global impacts.

For example, breakfast cereal manufacturers in Cedar Rapids produce 13 percent of total U.S. output. Industry in Cedar Rapids also processes as much as 19 percent of the global oat crop in value added manufacturing per year.

Wet corn milling in Cedar Rapids accounts for 8 percent of U.S. domestic ethanol production. The quantity of corn processed each year in Cedar Rapids exceeds the size of the domestic corn crop of Canada, the Republic of South Africa or the Russian Federation. That is a lot of corn, folks.

These are all products and goods that at some point or another rely on the Corps infrastructure to move.

With that being said, I did notice a couple of provisions that I mentioned here earlier in the omnibus explanatory statement for the Corps that I think could apply to a community like Cedar Rapids.

There seems to be new provisions in the Corps work plan that requires you to provide Congress with more descriptions of the rating systems used to evaluate projects and explain why certain projects were considered as being less competitive. I also saw the provision that said "Administration budget matrix shall not be a reason to disqualify a study or project from being funded." We think that is a great step forward.

Can I take this as a sign that the Corps and the Administration are looking to improve its system that calculates the economic benefits of flood control projects? Will you commit to continuing to work to make sure we are able to move the Cedar Rapids Flood Mitigation Project forward in fiscal year 2018?

General Semonite. Senator, thank you for that question. You and I have talked several times on this. We are in awe of the people of Cedar Rapids who were very heroic back in that flood fighting. That is not a position that we should put Americans in, to have to be able to fight for their lives.

On the other hand, this is a project which, unfortunately, does not rise high when it comes to the current method for racking and stacking projects with respect to the benefit cost ratio. We are committed to doing everything we can to continue to champion that project. The Corps will certainly do that. I do not know exactly how it will fall out in the rest of that process.

Senator Ernst. We do have to continue pushing because as I went through all these different examples of what passes through Cedar Rapids on a daily basis, the impact to the economics of the State is pretty clear.

When you are comparing the cost of the property in Iowa, it is much lower than the cost of a property on the coastline. Of course you have great big, beautiful, million dollar homes but that does not mean to a person living in Iowa that their home is worth any less to them. It is just based on what everyone else believes is the value of the home. We do have to consider that.

As a reminder, the assistance that Cedar Rapids needs from the Corps is just 3 percent of the cost of damages that it went through in 2008. We need to continue pushing this issue. I look forward to more conversations with you in the future and a way forward for the people of Cedar Rapids.

Thank you.

Senator Inhofe. Thank you, Senator Ernst.

Senator Merkley.

Senator Merkley. Thank you, Mr. Chairman.

I wanted to focus for a moment on the Harbor Maintenance Trust Fund. In 2016, the amount spent was 80 percent of the incoming receipts. In 2017, that fell to 55 percent of the receipts.

My question is for you, General. If we had spent all of the receipts from 2017, do you have enough infrastructure projects, meritorious infrastructure projects for those funds?

General Semonite. Senator, there is clearly a very long list of requirements. We definitely have most of the time, more requirements than funds available.

Senator Merkley. The question I want to raise is these receipts that go into the Harbor Maintenance Trust Fund are from the industry itself, from the shipping. Given the state of our jetties, given the state of our dredging, given the state of our locks, shouldn't we spend every dollar that comes in on maintenance of our water infrastructure?

General Semonite. Senator, I think obviously a lot of different considerations go into the use of the Harbor Maintenance Trust Fund. I would continue to say that we will champion full use of that where possible, but as far as exactly how that is expended, there are obviously a lot of players there.

Senator Merkley. Thank you, General. It was appropriately diplomatically stated. I appreciate the point that yes, there are plenty of infrastructure projects that need to be worked on.

Mr. Lyons, I believe you said in your testimony that under-investment in seaport channels and harbors and under-funding the Corps' civil works program results in inefficient channels, poorly maintained harbors, increasing costs for port users, reducing U.S. global competitiveness, exacerbating maintenance, dredging backlog, all of which adversely impact the U.S. tax base and job market.

Mr. Lyons, would you support using all of the Harbor Maintenance Trust Funds to actually sustain, maintain and improve the infrastructure?

Mr. Lyons. Yes, Senator, I would. I believe, as the General said, there are plenty of projects out there. There are a lot of projects that are marginally maintained or not even maintained to their full authorized depths.

We have especially big problems in the Great Lakes ports. Our harbor requires maintenance because we are fed by a river and river silt. Some years, we have much more material to move than in others and there are years that we are very marginally able to take care of it.

Sometimes we have some delays where we have to experience a narrow channel where we have to go to one-way traffic because of

the sides of the channel have filled up and they do not have sufficient funds to get to it. Yes, I would absolutely support that.

Senator Merkley. Thank you.

Mr. Goche, when you are looking at the ports on the Oregon coast and we skip a year of dredging, in some of these ports that have rivers feeding them and silt coming down the river, is even skipping a single year sometimes problematic for the commerce and the safety of that community?

Mr. Goche. Absolutely, Senator. A case in point, on the Rogue River, they missed a year of dredging and it was a particularly wet year that year. Now it is going to cost way more than two years' worth of dredging to get that caught up because it is silted in so badly that now they cannot go in with a regular Corps dredge. They are going to have to farm out the job with a different kind of dredge that uses a pipe to even get the Corps dredge in.

Senator Merkley. This is like an extra \$800,000, I believe or something like that, just to get back to where you can do the normal project?

Mr. Goche. Correct.

Senator Merkley. Sometimes you have a situation where not only is it boats coming in, but also the ability of the Coast Guard to get out to do rescue?



Mr. Goche. Yes, and that is the case once again on the Rogue because I do not think they are even going to be able to get the Coast Guard to come in to help on this bad breaking bar because the Coast Guard does not have enough depth to transit it.

Senator Merkley. You can easily find uses important to the economy and the safety of Oregon's coastal communities for spending some of the unspent Harbor Maintenance Trust Fund?

Mr. Goche. You bet.

Senator Merkley. Thank you so much for coming out from Oregon to share this perspective. I really do appreciate the small port set aside, the 10 percent set aside, that has been so important to Oregon's coastal economy. It is something we need to keep doing for all of our smaller ports around the Country.

Senator Inhofe. Thank you, Senator Merkley.

Senator Shelby.

Senator Shelby. Thank you, Mr. Chairman.

General Semonite, you had a lot of experience with the Corps before you got to your present position. We have been talking about the Panama Canal and its impact on shipping, its relevance to deeper ports in the Gulf, and so forth. Tell us how important the modernization of the Panama Canal is and what impact it will have or should have on all of our ports, especially the Gulf ports.

General Semonite. Senator, I was there at the opening of the Panama Canal; I saw the first ship come through. I was amazed at the amount of volume that came through. As several of you have said, the economic impact on both the economy and the GDP, I think that is off the table on how much impact that will have.

Senator Shelby. Would call it a game changer as far as shipping?

General Semonite. I think it is a game changer, yes, sir.

Senator Shelby. A game changer now and into the future.

General Semonite. If you do not then have the ability to receive those, not every single port will take the big ships without a doubt, but if you do not have the second and third effect and be able to take the roll on down, then that will limit us, I think, in our ability to be able to continue to expand internationally.

Senator Shelby. It will hurt our trade overall, will it not?

General Semonite. It will certainly have an impact, sir.

Senator Shelby. If a port is say 45 feet or 46 feet, 45 feet, and some of the ships need 50 feet or close to it, if they cannot put a full load in there, it is not efficient, is it?

General Semonite. Certainly not, Senator.

Senator Shelby. It is like flying a freighter airplane and

because of the runway or the distance and so forth, you cannot deal with it?

General Semonite. That is correct.

Senator Shelby. It is a game changer, is it not?

General Semonite. It definitely is, and if a port is not of the right size, that means that particular part of the Country that cannot receive that boat or ship, industry is going to go where they can find the best investment.

Senator Shelby. Mr. Lyons, the Port of Mobile, as I understand it, is 45 feet, is that right?

Mr. Lyons. That is correct, it is 45 now.

Senator Shelby. It has been authorized to go to 55 feet by law?

Mr. Lyons. Yes. It was authorized in 1986 water bill.

Senator Shelby. It also needs to be widened, is that right, where two ships can move and move around?

Mr. Lyons. Yes. Our current channel is only 400 feet wide. When we have ships that exceed 140 foot beam, we are restricted to one-way traffic. As I mentioned in my remarks, we have a lot of wide-bodied tankers coming in that are 150 or 160 feet wide. We have post-Panamax container ships in, so we are one-way traffic there.

Ships have to wait. Ships are expensive and that is costing money. That eventually affects the cost structure of

these ships when they have to build in delays. They occur multiple times every week.

Senator Shelby. You mentioned your container freight has gone up tremendously, has it not, your business?

Mr. Lyons. Yes, Senator. We are a relatively new container port. We only opened our container terminal in 2008. Prior to that, we had been a bulk port and handled forest products, coal, steel and products like that.

Manufacturing in the southeast has significantly changed. Retail distribution is beginning to realize they cannot be totally reliant upon the West and East Coasts to efficiently move at all times, so they are looking for alternate gateways.

This is why Wal-Mart selected Mobile for this 2.6 million square foot international distribution center, one of six big ones that Wal-Mart has in the Country. There are alternate gateways where we have the bigger ships coming and it is important.

Senator Shelby. A lot more container freight?

Mr. Lyons. A lot more, our container terminal grew 19 percent last year.

Senator Shelby. I wish you had a big map to share with the committee and the people of where Mobile is located geographically, where the Panama Canal is and the proximity, as the crow flies. Going through the Panama Canal, you look right

up the Gulf. You have a straight shot just about to the Port of Mobile, do you not?

Mr. Lyons. It is a straight shot and we have grown. Like I said, we are an infant, if you will, container port but we now have three ships a week every week, a fixed day, that come through the Panama Canal. One of those shipping lines is going to the larger post-Panamax ships this year.

Next year, the other two lines will go to post-Panamax. I feel confident that next year, we will add a fourth line coming from Asia. The Asian trade and Panama is very important to our port and our Country.

Senator Shelby. General, since you know a lot about Panama and all the Corps and the ports, can you share with us your vision of where the Panama Canal is, where it comes through the Nation of Panama, and where it lines up as far as the Port of Mobile is concerned, as the crow flies, a direct line?

General Semonite. Senator, there is clearly a proximity issue that Mobile has that some other places do not have the advantage of. Just so you know, that GRR you mentioned, we are right on schedule now to have that done by November 2019. We are putting about \$8 million into that. We do not see any significant problems with getting that done.

If the Congress decides to have that on priority, that will be well postured to be able to be deepened.

Senator Shelby. A 50 to 55 foot channel or wider channel would be a game changer for the Port Mobile too, would it not?

General Semonite. It would, sir. Again, the actual depth, we do not know that. That will be the result of the study so I will not commit on what the depth would be.

Senator Shelby. We know. Thank you very much.

Thank you, Mr. Chairman.

Senator Inhofe. Thank you, Senator Shelby.

Senator Duckworth.

Senator Duckworth. Thank you, Mr. Chairman, for convening today's hearing.

I want to thank our witnesses for participating in this very important conversation.

General Semonite, as you know, our inland waterway system is a critically important component of our network, as we have been discussing and a barometer for gauging the health of the Midwest region's environmental and native species.

The rivers surrounding and traversing Illinois provide enormous economic and recreational benefits. I believe Congress must prioritize the effective management and protection of these resources, the river system. Would you agree?

General Semonite. Yes, Senator, I would.

Senator Duckworth. As you know, the McCook Reservoir is approximately 91 percent complete. It prevents over \$114

million in annual damages to the Chicago land area and carries a benefit to cost ratio of 2.96, a very high score for an Army Corps project.

Will you pledge that the Corps will work closely with my office, Senator Durbin and the Illinois delegation to complete the project on schedule, including fiscal year 2017 funding, so we can avoid the type of damages we have suffered over the last three disaster declarations?

General Semonite. Senator, we seek great merit in this. This is a life safety issue. This is a flood risk management project. Clearly, the majority of that first half is all done and works very, very well. We will continue to champion that reservoir and whatever we can to get appropriate funding.

Senator Duckworth. Thank you.

I recognize there may be other agencies pressuring the Corps to abandon this critical project as it approaches the finish line. I just want to make it clear that it is unacceptable to leave my constituents at risk, especially when we are so close to finishing. Stage II of the reservoir started securing funding over ten years ago and we are just asking to finish the job.

General Semonite. Senator, we do not see any significant challenges with other agencies. We feel very firm that is a very smart project to finish.

Senator Duckworth. That is wonderful. Good news. Thank you.

General, when it comes to combating invasive species threatening the Great Lakes, Illinois may face the most daunting challenge in the need to effectively stop and control the Asian Carp without significantly disrupting inland waterway operations and harming our economy. It is a real balancing act.

I believe we can achieve these two objectives. I was very interested in reviewing the findings of the Brandon Road Lock and Dam Study, along with the subsequent public comments and alternatives to inform our efforts to develop an effective solution.

It is why I and many other Great Lakes stakeholders are deeply disappointed and surprised by the Army Corps' decision to indefinitely delay the release of this critical plan, a reversal with not much transparency or explanation.

It was widely reported, in fact, that this decision was the result of outside pressure from the White House. Will you explain why the report was delayed and provide us with an updated timeline for its release?

General Semonite. Senator, you know that report was completed by us, was prepared to go out for public comment. I do not know the details of the cause of our being put on hold for that report. We are hold until we are advised to go ahead



and release that report. That is something where we are following guidance.

Senator Duckworth. Where is that guidance coming from?

General Semonite. All I know is it is coming from my higher headquarters which is the Assistant Secretary of the Army for Civil Works out of the Department of Army. I cannot elaborate as to where it would be above that. I just do not know.

Senator Duckworth. Okay. I need to reach out to the Assistant Secretary for the Army.

General Semonite. I would think that would be the best answer, ma'am.

Senator Duckworth. I do think it is very important to move this forward so we can have some sort of plan in place.

Earlier this year, I joined several of my Great Lakes colleagues in both the House and Senate to highlight our concerns about the Corps' economic re-evaluation of the Soo Locks Project.

Rather than calculating the transportation rate savings for this project based on traditional methods used by the Corps for other lock projects, it was our understanding that the Corps decided to use unique alternative modes of transportation never before used by the Corps on which to base its conclusions.

I ask unanimous consent that the February 21 letter be

entered in the record, Mr. Chairman.

Senator Inhofe. Without objection.

[The referenced information follows:]

Senator Duckworth. The February 21 letter asked the Corps to calculate the Soo Locks Project's economic benefits in a manner consistent with other Corps lock project evaluations. Will you commit to us today that the Corps will do that and you will finish the re-evaluation within the Corps' two-year schedule?

General Semonite. Senator, I do not know exactly the particulars of that one and I am not prepared to answer that today. Soo Locks is very important to this Nation. We see national security issues in there. It is an old lock. We have to get Soo Lock prepared.

I do not know exactly the details you are talking about. I have to get back with you.

Senator Duckworth. Okay, we will follow with you on that. Thank you.

I yield back, Mr. Chairman.

Senator Inhofe. Thank you, Senator Duckworth.

Senator Sullivan.

Senator Sullivan. Thank you, Mr. Chairman.

I really appreciate the testimony today, gentlemen. It is very important.

Commissioner Goche, as a Senator who represents thousands and thousands of fishermen and communities with small ports, I really appreciate your particularly compelling testimony.

I want to shift the focus a little bit more north to where I am from. General, we have a lot of interest in the Arctic right now. I think a lot of people are waking up to that. As a matter of fact, the Arctic Council is having a ministerial in Fairbanks, Alaska starting tomorrow, two days in Alaska. All foreign ministers of the Arctic nations are going to be up there.

You may have seen in the NDAA a requirement for the Secretary of Defense and the Secretary of Homeland Security to designate a strategic Arctic court given our increasing interest in the Arctic in shipping traffic, natural resources, search and rescue and protecting the environment. There is a lot going on up there.

I want to talk to you about two ports. I know we are looking at all kinds of ports. First is the Port of Nome. As you probably know, the Corps has over a 100-year history in Nome, Alaska.

There is a focus on the deepwater port draft study and there has been some back and forth after Shell left Alaska and the oil and gas exploration. There were two additional WRDA provisions just this past bill, the WIIN Act, that came into law in December. Those were actually designed to help get the Corps focused again on Nome.

Can you commit to having Nome as part of your work plan

moving forward again on the deep draft port study and work that was ongoing until we had the hiccup of some of those oil and gas issues?

General Semonite. Senator Sullivan, thanks for the question.

We are actively working Nome right now. The study was put on hold pending coordination with DoD and Homeland Security based on WRDA 16. The benefit cost ratio is below 1 percent. I think that is why there was a request.

Senator Sullivan. But there are also provisions in the WRDA bill that essentially said, you have entire other areas to look at. Particularly, for example, in the law now, Nome services 54 different communities throughout western Alaska and the Nome area. That gives you authority to kind of take a hard look?

General Semonite. Yes, sir. We have sent out letters to both the Department of DoD, Navy and Homeland Security to be able to make sure that we understand where their potential use might be. We are waiting for those responses.

I can certainly get with you offline and tell you what we hear from them to be able to see if, in fact, there is an additional reason from both of them to be able to expand the Port of Nome.

Senator Sullivan. I would like to get offline with you

because there are two specific provisions in the WRDA bill, just signed into law, that are very focused on that and are intended. I know we worked with your staff on the language to get the Corps moving again.

If there are delays, I need to understand why there are delays when the law has been changed to actually get the Corps to move out on this issue.

General Semonite. We are working implementation guidance to be able to see. I think the best thing is I come and see you, Senator, and I will lay this out. I am not exactly aware of the two extra provisions you are talking about right now.

The information I have is that we are waiting for responses from the two departments as to what would be a strategic rationale to be able to have Nome not necessarily what you are talking about.

Senator Sullivan. The NDAA is a different issue?

General Semonite. Yes, sir. Let me come back and I will get with you. We will lay this out and walk our way through this.

Senator Sullivan. Good. Thank you.

Let me ask about another potential port in the area. What is the Corps' view of the effectiveness of possibly using public-private partnerships for the development of Port Spencer which is actually also in the area?

General Semonite. Senator, I do not know on Spencer. We are, again, very interested in anything with a P-3. The challenge is, how do we put together the right package to be able to continue to make it through the system. If we get together, I will certainly lay out Spencer for you as well.

Senator Sullivan. Great. Section 119 of the WIIN Act amends the law related to the territorial partial cost share waiver to add federally-recognized Indian tribes as entities eligible for a limited waiver of local cost sharing for Army Corps studies and projects.

Can you give me a sense of the Corps' timing on that new provision and how you are looking at it? The Alaska District has a lot of interest, as you know, on that provision. We would welcome your engagement.

General Semonite. Senator, we support this as well. This is for a cost share of the first \$450,000, mainly for Native American tribes. This is something we will do. We are writing through exactly what the implementation guidance is to be able to say here is how you would qualify for that.

However, those tribes that do not have enough money to be able to come into a study, we do not think they should be disadvantaged. We support that, we just have to get the details together so we can put it on the street and people know how to apply for that.

Senator Sullivan. Great. Thank you.

Thank you, Mr. Chairman.

Senator Inhofe. Thank you, Senator Sullivan.

Senator Cardin and I would like to make a few more comments and maybe even have another round in case some members come who have not yet been here.

First of all, General Semonite, one of the reasons that I brought this up and wanted to get it in the record in terms of the lake development is to make sure everyone understands this is legitimate. In fact, I remember the first one I think was in Oklahoma and Georgia immediately followed that. The Corps actually got into that business. That has been a long time ago.

I wanted to mention another thing too that really has concerned me for so long. That is the Montgomery Lock and Dam. As you come down the Mississippi River, you are familiar with it and I am sure some of the others are not, you actually have two rivers. Well, it actually was called the Three River Project.

If you take the distance from the Mississippi all the way across Arkansas and through Oklahoma, that is 445 miles that would be completely done away with and useless if we cannot ultimately find a solution to Montgomery. Are we waiting now for what they refer to as the Three River study?

General Semonite. Senator, I am going to have to get back with you on that. There are several projects that we are



looking to continue to champion, but I do not know exactly where we are on that particular one.

Senator Inhofe. Senator Boozman and I do not need to take the time of the entire panel but we are very much interested in that. That has been a problem, Montgomery buoy to lock and dam and the depth issue, for a long, long time.

Why don't we set up something and get the two of us together with you to see if we cannot come to some determination? Does that sound reasonable?

General Semonite. It sounds great, sir.

Senator Inhofe. Mr. Humphreys, in the opening statement, we talked about development like your development and what it means to surrounding communities, what it means to the economy, what benefits are there that people might not think about, because I know there are great benefits. Will you share your thoughts on that?

Mr. Humphreys. I would be happy to.

When we look at a project like Carlton Landing, we are in a rural area of Oklahoma that has seen economy shift to the urban areas. You have great natural beauty but you do not have a lot of drivers.

First and foremost, we provide jobs in the construction industry. Construction activity alone will typically add about 125 to 150 trades onsite in Carlton Landing, with the same

number at any given time working off-site in sales, logistics and support.

In terms of economic impact over the longer term, we expect to see over \$2 billion of private investment in Carlton Landing as the master plan is built out. We expect Carlton Landing to be one of the more important economic development projects for Lake Eufaula, for southeast Oklahoma and also the growth of the Oklahoma tourism industry.

I am happy to serve on our State's tourism commission. We think that long term, Carlton Landing could help bring dollars from outside Oklahoma, across State lines back into the Oklahoma tourism business.

Since our project is a new community, it is not just a subdivision, we also enhance the quality of life of people who live in that area. We have the State's first rural charter school. About 80 percent of the kids attending our charter school in Carlton Landing come from outside of Carlton Landing, some driving as far as 30 minutes away.

These are kids who, some come from strong families but some come from situations where their parents are incarcerated or they are in the foster care system. We are bringing them in and giving them a new opportunity to look and see life with new options. We are excited about that.

All this together, we see development activity and

community building as something that has tangible and intangible benefits, monetary and a lot of benefit to folks' quality of life that you just cannot put a number to.

Senator Inhofe. Would you say a very similar situation in terms of benefits is true up there with your neighboring development up in Sky Tube that has really done some great things?

Mr. Humphreys. You see the growth of the property values from the beginning of the public-private partnership to what they have realized currently. You have seen great growth where private investment is coming in.

As I said in my earlier comments, we just need to set the table. There are some policy procedures that need to take place that help developers understand the regulatory landscape. I had an opportunity to speak with General Semonite. We will give our recommendations on things they can do with the existing regulations in educating and laying out a game plan so that people understand what the process looks like to work with the Corps.

Senator Inhofe. You have a successful operation there. You have spread a lot of goodwill and helped a lot of people.

Mr. Humphreys. Thank you, sir.

Senator Inhofe. I notice we stalled just long enough to keep us open until Senator Markey got here. We will recognize

him at this time.

Senator Markey. Thank you, Mr. Chairman.

I arrive, first, to praise Caesar. I thank you for the WRDA bill from 2014 because in that bill there was \$216 million for the Boston Harbor deepening project so that we could accommodate the new super ships coming through the Panama Canal.

I thank you for last year's WRDA bill because then we added another \$16 million to deal with additional complicating, but necessary, features that had to be built in. We thank you for both of those. That is a perfect example of the way the committee operated under your leadership on all of those issues. There is no construction yet, though, because there is no actual money yet up there.

General, can I get your commitment that you will work with us to try to telescope the timeframe that it is going to take in order for us to get the funding for that critically, essential project for Boston because without it, we are going to be a port that is not able to fully benefit from this change?

General Semonite. Senator Markey, thanks for the question.

I was the Division Commander in New York when we started that project back in 2007. There is a lot of value in that project.

Clearly, the 2017 budget is on the street but the 2017 work plan is not. The 2018 budget will come out in a couple of weeks

so it is premature for me to talk about where that is. Congress has given us new starts that we can allocate that. I think as soon as we see where that plays out in the next couple weeks, we will certainly be able to advise you on Boston Harbor.

It is one of those projects that we certainly see merit in doing. The question is going to be where does it fall on the actual prioritized list of what is allocated money.

Senator Markey. You know it well, though, that project?

General Semonite. I know that project well, sir.

Senator Markey. I think that is going to be very helpful going online so I thank you for that.

Secretary Rahn, do we need more direct federal spending to ensure America's ports can remain competitive in this new era?

Mr. Rahn. The answer is obviously yes. We have to. We have neglected infrastructure across the board for decades. The answer is that yes, we have to invest more. Frankly, I am confused as to why we have not since infrastructure has always seemed to have been one of those things that both parties could agree to and that was always critical to our national well being.

The answer is yes, we need additional federal funds. Even just in Maryland, we have substantial needs that go well beyond the Mid Bay Project. As a Country that is so integrated into the global economy, we need all of these assets that allow us to

link in.

In Maryland, we are very much linked into that global economy. We have needs for the next phase of construction at our Poplar Island project; we have needs at our C&D Canal. There is so much there that we as a State do not have the capacity to address and frankly, require federal investment to make that happen.

Senator Markey. Thank you.

I thank everyone for all their great work in this area.

It is the obligation of the members of the Senate to assist the communities which we represent who are adversely affected by sea level rise and climate change to adapt to the new reality.

That is why I have supported environmentally responsible shoreline protection projects where sand is pumped onto beaches to protect against storm surge and coastal erosion. In fact, the Army Corps was so great on Revere Beach and Winthrop in helping us to solve those problems after the hurricane snowstorm.

The Town of Sandwich, Massachusetts attempted to use sand from the federal Cape Code Canal that otherwise would be dumped into the ocean to protect their town. Federal requirements became a major obstacle.

The Army Corps required the homeowners to provide easements ceding away their coastal property line forever, even though the

sand from this beneficial use project would only remain on the beach for five years. Ultimately, the town was unable to use federal funding for this essential shoreline protection project.

Can I ask, General, do you believe it is reasonable for the Army Corps to require property owners to provide easements in perpetuity for beneficial use projects if the sand is only going to last for a few years?

Wouldn't it be more appropriate for the easement to last as long as that sand remains on the beach just as kind of a practical way of dealing with the issue?

General Semonite. Senator, two things. I do not know the details of Sandwich. I am very aware of the sand easement issue. All throughout Sandy and in about seven different States, I am not sure I have ever been asked the question of how long should an easement last and it should be correlated back to the sand. We can certainly have that dialogue.

I think we are currently following the policy on which we have been very consistent that, if in fact, federal dollars are going to put sand on a beach, normally those landowners have to be able to provide access for the local people to be able to get to the beach.

Senator Markey. I would like to be able to work with the Army Corps on striking a balance, especially if that sand is, once again, just going to be washed away.

General Semonite. We are always looking at options, sir.

Senator Markey. Thank you, General.

Thank you, Mr. Chairman.

Senator Inhofe. Thank you, Senator Markey.

Senator Boozman.

Senator Boozman. Thank you, Mr. Chairman. Thank you and the Ranking Member for holding this hearing. This is really an important thing as we go forward in trying to figure out some of our infrastructure problems.

General, I was just visiting with Senator Inhofe and heard the comment about the Three Rivers situation that we have in Arkansas where the White River hits the Mississippi. I just want to reemphasize how important that project is.

That is one of those things that it is not an "if," it is "when" it is going to fail, probably up to a year as far as shutting down the Arkansas River which would be a real problem for Arkansas and Oklahoma and really, the whole Nation in the sense of being able to move goods and services.

General Semonite. Can I give you a quick update there? I was not fast enough when Senator Inhofe asked me, but basically, on the Three Rivers Study, we did complete the alternatives milestone meeting in December 2015. The definitive plan was completed in 2017.

Right now, we have released the draft report for policy,



public and agency technical review. That was last April. Right now, we are looking at a milestone decision schedule for July 2017.

We are working our way through this. We think a Civil Works Review Board is scheduled right now for March 2018 and a Chief's report in June 2018. That is the current milestone. That is pretty aggressive but we do think there is great merit. We want to continue to stay on timeline.

This has continued to get funding in 2015, 2016 and 2017. Obviously, it is premature to talk about 2018 but we continue to see a lot of value in that.

Senator Boozman. Good. We appreciate that and you pushing forward. Like I said, that is a matter of if and not when. In Oklahoma and Arkansas, we are experiencing these 500-year floods about every two years. They really are playing havoc.

The waterways have held up fairly well. This last one has really caused a lot of damage but we are in the process of working through that with you.

Apart from that, there is a lot of concern with taxpayers and Congress about the inefficiency in the delivery of our infrastructure investments. Projects that should reasonably be completed in a few years typically last decades, delaying public benefits and exponentially increasing cost.

How, if at all, can public-private partnerships help

accelerate the delivery and create better value as far as the infrastructure? Do you have any ideas in the sense would public-private partnerships help with that situation?

General Semonite. Senator, it definitely would. I will just give you a quick data point here.

It really allows all of the funding upfront as opposed to dragging it over whatever time we would be able to afford it through the Federal Government; we are able to see that upfront investment.

I will just give you the numbers I use, these are very simple numbers. The one federal P-3 study that we have been able to push through, which is Fargo-Moorehead, if you do it the regular way, it would take us 16 years. The way we are doing it up there is 6-1/2 years.

Senator Boozman. Since you say that, it is probably 20.

General Semonite. It could be but I just want to give you a data point.

Senator Boozman. Sixteen years?

General Semonite. Sixteen versus 6-1/2. The federal share, the regular way, would have been \$850 million. The P-3 way is \$450 million. The other big thing, the regular way would have been up to probably 28 contracts. The P-3 way is 11. Just remember those numbers. You are probably half of what the normal process is.

The challenge we have is we have to get the whole team able to be synchronized as to how can we then enable P-3? There are a lot of people who do big hand waves to say P-3 has got merit but we have to be able to make sure, through all the different maize of the approval process, a P-3 is able to see the light of day. We are having some challenges in how we can synchronize that better.

Senator Boozman. That would be great news. I know Senator Inhofe and Senator Cardin on this subcommittee are going to be working hard in that regard. We will do the same thing on the Water Subcommittee really looking forward to seeing how we can make that example happen all over the Country versus what we are experiencing right now.

Thank you, Mr. Chairman.

Senator Inhofe. Thank you, Senator Boozman.

Senator Cardin.

Senator Cardin. Again, let me thank our witnesses.

I think this hearing points out the importance for us, General, to take a look earlier in the process on the next WRDA bill. Senator Markey is correct, in 2014, we passed the Water Resources Development bill which I think it was seven years earlier before we passed the last one. We made a commitment to pass these bills every two years. We are barely able to do that in 2016. It was one of the last bills passed by the Congress.

It was a challenge because we had to deal with the rules on how we direct spending and it was not as easy to figure out all the different nuances. One thing was clear. We are going to see some different rules coming down from this Administration.

I think it is going to be important for us, Mr. Chairman, to try to figure this out as a Congress earlier rather than later which may require some legislative authorization in order to make sure projects like Mid Bay are not inadvertently jeopardized because of the budgetary scheduling that is being followed on these projects.

I would just urge us to take an earlier look at the way we are going to authorize the next WRDA bill so that we can make sure we get it done next year. I expect it will be the next year; it is not going to be this year, but if we could pay a little earlier attention.

Secretary Rahn, I think you were correct to point out that although in Maryland, we concentrated on Mid Bay, there are many other projects in Maryland and many other projects around the Nation. I am glad you mentioned the C&O, the C&D and we also have other projects. Poplar Island is still not finished. We still need resources there.

General, I could mention our efforts to make sure we protect our coastlines and beach re-nourishments and hurricane protection. These are all programs that will require our

attention as we look at ways to make sure we can modernize our infrastructure and meet the current challenges.

We know, under the best of circumstances, the resources are going to be very, very difficult on the public side. We know that. Even if we do well, it is going to be a challenge. It is right to look for ways we can leverage and create more opportunities that we all agree are needed.

I think this hearing has been very helpful. I want to thank all the witnesses for your testimony.

Senator Inhofe. I do too. I thank you, Senator Cardin, for your contribution here and your partnership in these efforts. We have been together doing this for a long time with some success.

I thank all of the witnesses for coming, particularly Grant Humphreys. I have followed this development. I use this as kind of a model of what can happen elsewhere. I commented a minute ago about a rarely known fact that we have more miles of freshwater shoreline in our State of Oklahoma than any of the 50 States. We have a lot of beauty that goes with that. You have made a great contribution there.

I thank all of the witnesses very much.

We are adjourned.

[Whereupon, at 4:19 p.m., the subcommittee was adjourned.]