

DEPARTMENT OF THE ARMY

COMPLETE STATEMENT OF

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BEFORE THE

COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

UNITED STATES SENATE

ON

Rebuilding Infrastructure in America

March 1, 2018

Mr. Chairman and Members of the Committee:

I am honored to testify before you today on the President's recently released infrastructure plan and the water resources needs and challenges of our Nation. I was recently sworn in as the Assistant Secretary of the Army for Civil Works. I look forward to working with you to advance the delivery of our nation's water resources infrastructure through innovative approaches and streamlined processes.

The U.S. Army Corps of Engineers (Corps) has played a significant role in the development of the Nation's water resources. The Civil Works program of the Corps has three main missions: commercial navigation, flood and storm damage reduction, and aquatic ecosystem restoration. In this regard, the Corps works with our Nation's coastal ports to maintain their channels, operates and maintains the inland waterways, supports State and local flood risk management activities, works to restore significant aquatic ecosystems, and operates and maintains multipurpose dams, as well as the reservoirs behind them. There are about 250 million day-visits a year for recreation at Corps lands and reservoirs, making the Corps one of the top Federal recreation providers.

The infrastructure that the Corps maintains includes 13,000 miles of coastal navigation channels (including the channels of the Great Lakes), 12,000 miles of inland waterways, 715 dams, 241 locks at 195 navigation sites, 14,700 miles of levees, and hydropower plants at 75 locations with 353 generating units. These projects help provide risk reduction from flooding in our river valleys and along our coasts, facilitate the movement of approximately two billion tons of waterborne commerce, and provide up to 24 percent of the Nation's hydropower.

Much of this infrastructure was constructed in the first half of the twentieth century and today requires a significant amount of resources to maintain. The traditional Civil Works approach to constructing and maintaining these projects is not sustainable. The Corps estimates that it could take over 100 years for the Corps to construct all currently authorized Civil Works projects under the current approach.

One of the President's top priorities is to rebuild and modernize the Nation's infrastructure. The President has proposed a \$200 billion Federal commitment to stimulate at least \$1.5 trillion in new infrastructure investment. The goal is to secure long-term reforms on how infrastructure projects are regulated, funded, delivered, and maintained. By streamlining project delivery and removing barriers, we hope to incentivize and expedite the delivery of our Nation's infrastructure.

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

- (1) Water Resources Infrastructure – These principles would remove barriers and provide new authorities to expedite the delivery of infrastructure projects through

a variety of mechanisms focused on revenue generation, streamlining project delivery, and innovative acquisition approaches.

- (2) Inland Waterways – The combination of new and existing revenue streams combined with non-federal partnerships would enable greater efficiencies and innovations for our nation’s inland waterways.
- (3) Incentives – Incentives in the form of grants to non-federal entities are intended to encourage innovation, accelerate project delivery, and increase State, local, and private participation.
- (4) Water Infrastructure Finance and Innovation Act (WIFIA) – Incentives in the form of low-cost loans are also intended to encourage innovation, accelerate project delivery, and increase State, local, and private participation. The legislative principles would expand the U.S. Environmental Protection Agency (EPA) authorization and budget authority to include non-Federal flood mitigation, navigation, and water supply projects.
- (5) Environmental Reviews and Permitting – In addition to broad environmental and permitting reforms, the legislative principles would further streamline the Corps’ Section 404/10 and Section 408 programs to support timely decisions while maintaining environmental protections provided by law.
- (6) Divestiture - The infrastructure legislative principles authorize Federal divestiture of assets that would be better managed by State, local, or private entities. One of these assets is the Washington Aqueduct, which the Corps currently owns and operates.

The President’s infrastructure proposal is an opportunity for the Corps to apply new financing approaches and streamline processes that enable needed change to meet current and future needs of the Nation. The current paradigm for investing in water resources development is not sustainable and can deter rather than enable local communities, states, and the private sector from making important investments on their own, even when they are the primary beneficiaries. The Administration’s infrastructure proposal and other reforms in the Budget, such as reducing the Harbor Maintenance Tax, would facilitate local decision-making by those who know best what investments are needed and improve how we as a Nation invest in water resources.

Further, we recognize the importance of establishing a “one federal decision” structure for environmental reviews with the goal of shortening environmental timelines to two years on average while still protecting the environment. In particular, we appreciate the need to eliminate redundant and unnecessary reviews, concurrences and approvals, as well as the importance of firm deadlines to complete reviews and make decisions. As a member of the Federal Permitting Improvement Steering Council (Permitting Council), which carries out the statutory responsibilities identified in Title 41 of the Fixing America’s Surface Transportation Act (FAST-41), the Corps has committed to work with

fellow Council members in support of the goals of FAST-41 to improve the timeliness, predictability, and transparency of the Federal environmental review and authorization process for covered infrastructure projects. In addition, as a Council member, the Corps has committed to incorporate the objectives of FAST-41 and Executive Order (EO) 13807 “Establishing Discipline and Accountability in the Environmental Review and Permitting Process for Infrastructure Projects” into their agency’s directives, manuals, policies and plans, as applicable and to the extent practicable.

In addition to the President’s legislative proposal, I strongly support efforts by the Corps to look internally at its organizations, authorities, policies, regulations and procedures to identify opportunities for increased efficiency and effectiveness.

For example, Section 14 of the Rivers and Harbors Act of 1899, as amended, and codified in 33 USC 408 (Section 408) provides that the Secretary of the Army may, upon the recommendation of the Chief of Engineers, grant permission to other entities for the permanent or temporary alteration or use of any Corps Civil Works project. The Budget includes significant funding to support Section 408 reviews. The Corps also has implemented the following improvements to the Section 408 review process: delegation of Section 408 decisions to the lowest level possible (resulting in more than 95% of Section 408 decisions being made at the Corps district level) and further clarifying when Section 408 permission is required, when Section 408 permission is not required, and when the requirements of Section 408 may be met by another Corps process and/or authority (resulting in the reduction of redundancies).

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

Thank you, Mr. Chairman and Members of Committee. This concludes my statement. I look forward to answering any questions you or other Members of the Committee may have.