Remarks:

Mr. Chairman and members of the subcommittee, thank you very much for inviting me to come back before you in support of the President's Fiscal Year 2002 budget for the Civil Works program. I have a prepared statement that we have furnished you and I ask that you make it part of the record.

Yesterday, the Mississippi River reached a flood crest in Davenport, Iowa. Their homegrown levee held back the floodwaters from the snow melt and heavy spring rains that have brought floods to the upper Midwest.

When I was there on Sunday, I met local officials, together with residents and volunteers, as they engaged in a heroic effort to keep flood damage at a minimum. Their actions are an affirmation of the spirit of their community.

I am proud to say that our Army Corps of Engineers provided sandbags and technical assistance for the floodfighting effort in Davenport and in other communities, large and small.

Corps employees have been helping to keep high water from overwhelming their homes, their farms, their businesses and their livelihoods.

Let me speak of other Corps heroes.

The Granite Falls mayor, Dave Smiglewski (Smig-loo-ski), had a problem with the flooding Minnesota River at 1 a.m. on April 12.

The Dike Road levee in his community had been 12 to 14 feet wide earlier on April 11. Now it was only seven feet wide. The force of the current had washed away a substantial portion of a protective levee road.

He found Tom Heyerman at his motel, then Doug Crum at work on emergency contracts in City Hall in Granite Falls. Both work for our St. Paul District and had volunteered for flood duty.
The Corps' Crum and Heyerman and the mayor discussed the alternatives. Worst case. Probable case. The hydrology. The city and the Corps had prepared for this possibility ahead of time by adding sandbags in a dry channel where the water would go if this levee washed out.

This was done to minimize the impact of the surge of water. They had prepared for the levels of the 1997 flood. They agreed that they were ready if the levee failed. Fortunately, the levee held.

Here's what Dave Smiglewski said afterwards:

"It's a tremendous help to small towns to have the Corps present. They know how rivers react. The Corps was in Granite Falls close to two weeks helping us prepare for this flood."

You can be proud of these public servants. They are 150 strong, and they have been working around the clock to control the effects of high water on the Red, Minnesota and upper Mississippi rivers. Their efforts and expertise are paying off for the citizens of Hometown, America.

While we have stayed the course of our missions, we have been surrounded by controversies for the past year. When I became Chief last October, I found an organization that was on solid ground.

Our very capable men and women have soldiered on to provide sound solutions to our nation's water resources problems while we have had our credibility assailed and our integrity challenged.

We have been investigated by congressional committees, our own Army Inspector General and the National Academy of Sciences.

As for the Upper Miss navigation study and whistleblower allegations, I find it unfortunate that the Inspector General did not have the benefit of the National Academy of Sciences review available when his report was published. I believe we would have taken an entirely different view of the proceedings.

If the Inspector General had that report, he would have found good, decent and honorable people coming to grips with both a flawed economic model and insufficient data.

Our senior leadership had recognized this problem and was attempting to resolve it when the whistleblower allegations were leveled against us. The lead economist on the study developed this model. He also raised the allegations.

Let me assure you that the Corps has sound systematic processes that consistently provide decision-makers - the Congress, the Administration
and the American people - with solid recommendations based on sound engineering, scientific fact and objectivity. Our intent is to achieve a synergy between economic objectives and environmental values.

Do we have a "bias for large-scale construction?" I say no. Every proposal is subject to intense scrutiny. For every 100 reconnaissance studies that we begin, only 16 result in actual construction. We weed out five of every six possible projects.

Are we outside the effective control of the Executive Branch and too comfortable with Congress as the news media asserted? Again, I say no. I submit that the Corps program is subject to more Executive Branch and Congressional oversight than any other federal activity. Corps projects are separately authorized in a bill passed by Congress and signed into law by the President. Every project is reviewed annually by both the Administration and the Congress as part of the appropriations processes. Each is also subjected to a benefit-cost ratio that is unique among federal agencies.

We receive this scrutiny because of our profound impact on our nation's well-being. For example:

- US deepwater ports, coastal and inland harbors and waterways move 2.3 billion tons of domestic and foreign commerce annually.
- Flood and shore protection projects prevent $22 billion in damages each year.
- Over 120,000 acres of aquatic, wetland, and floodplain ecosystems have been added to national habitat since 1998.
- The nation's investment in the Army Corps of Engineers produces a 26 percent annual rate of return and has put $30 billion dollars in tax revenues and savings into the Treasury.

These statistics confirm my belief that the American people have invested wisely in our nation's investment in water resources infrastructure.

Your Corps of Engineers has responded to our nation's call for over two centuries. From the time when we first explored and mapped the western frontier -- to this day when we help save lives and protect property -- we have sought to improve the quality of life for our citizens.

Today, however, as our population has increased and our infrastructure has aged, our investment in water resources has decreased.

The Corps today has a $40 billion backlog of authorized, but unfunded, new capital investments that, when implemented, will provide benefits to the American people. Our critical maintenance backlog amounts to over $800 million a year. As the infrastructure ages, the costs escalate.
Have we as a society and as a nation paid enough attention to the future? I say no.

In the report card recently released by the American Society of Civil Engineers, the nation's navigable waterway infrastructure received a D+.

We also heard that same answer from 1300 people-a cross section of concerned stakeholders from all walks of life and all areas of the country-when we went out and listened to their concerns last year. (Brochure on Listening Sessions.)

Finally, after seeing our men and women in action Sunday, I am more firmly convinced than ever that our Army Corps of Engineers has a critical contribution to make in solving our country's problems - today and in the future.

Ours is an organization that has built flexibility into its structure to seek out the best economic, environmental and social solutions to our nation's tough jobs. We strive to bring synergy to problem-solving. I am proud that our nation looks to us when it needs the best.

Mr. Chairman, that concludes my remarks and I'm ready to respond to your questions.

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