

# The Corps of Engineers Civil Works Budget for FY 2007

## The President's Budget Recommendations and What They Really Mean

- The budget **proposes to reduce the Corps' budget** from \$5.3 billion in FY 2006 to \$4.7 billion in FY 2007.

*The severe storms of 2004 and 2005 apparently have not served as a wake up call for the Administration. Instead of funding the Corps' civil works program through the regular appropriations bill, the **Administration has been funding it through emergency supplemental funding bills.** This is a fiscal shell game that is costing American taxpayers needless costs to pay for damages that could have been either avoided or reduced.*

- Since 2001, the Administration has emphasized the completion of ongoing construction projects before starting new ones. This continues with the FY 2007 budget, as an additional 16 construction projects will be completed. Once again, this budget has **no new construction starts**. In past budgets, hurricane/storm damage reduction projects (i.e., beach nourishment projects) were usually not included in the budget for a new start. Now, however, all types of civil works projects (navigation, flood damage reduction, ecosystem restoration) face the same fate.

***It is impossible for the nation to have a water resource program that excludes new construction starts and zero-funds most existing studies of potential new projects.** While completion of ongoing construction projects is important, **some new starts are also needed to have a long-term viable program.** The proposed budget virtually eliminates funding for ongoing studies of new projects. Together with halting new construction, the proposed budget leaves state and local governments to doubt whether the federal government is a reliable cost-share partner. To have no new projects\* funded nationwide eviscerates the nation's civil works program and is not equitable to project sponsors.*

\* - The budget contains one new construction start for DC. However, Congress did not recommend funding this project in FY '06.

- The budget includes \$20 million to: (a) **inventory the Nation's levees** and other flood and storm damage reduction projects including those built or maintained by state, local, or private entities; (b) **develop a risk assessment tool**; and (c) create a **national flood and storm project database**.

*Doing a much-needed inventory of the nation's ability to withstand storm damages would be a great idea if it were not being **done at the expense of studies that are in the pipeline to meet the nation's water resource problems.** The proposed studies and data bases*

*should be an addition to a study budget that recognizes that the nation's water resource needs are not being met. The budget's short-sighted approach would not be tolerated for America's highway or aviation needs. It must not be tolerated for its water resource needs.*

- The budget increases **funding to properly maintain locks and dams on the Nation's three busiest inland waterways**: the Ohio River, the Mississippi River, and the Illinois River.

***The proposed increase for these three systems masks the overall deteriorating state of our inland waterways, ports, and navigation channels.** The proposed budget allows that deterioration to continue. As needed as these three projects may be, the fact remains that the failure to spend millions of dollars to maintain the system we already have in place is costing the nation billions of dollars caused by inefficient and unsafe waterways.*

- The FY 2007 budget **transfers from the "Construction, General" account to the "Operations and Maintenance" account** the rehabilitation of navigation and hydropower infrastructure, endangered species compliance, construction of features using materials dredged during navigation maintenance, and mitigation of impacts on shorelines from navigation maintenance activities.

**The transfer to operation and maintenance of activities from the construction program is one of the most troubling aspects of the Administration's budget.** Congress has authorized beach nourishment projects as continuing construction. However, the Administration proposes to transform that continuing construction (also known as periodic renourishment) into an O&M activity. In addition, the Administration proposes to limit its financial participation in periodic renourishment to the mitigation of impacts on shorelines from Federal navigation maintenance activities. Consequently, **not only would future monies for periodic nourishment have to come from a severely constrained O&M account, they will only fund a portion of some projects and none of the other projects that have no navigation impacts.** This is not what was authorized by Congress or agreed to in sponsor-signed agreements with the Federal government. **Congress must reject this policy change. Furthermore, the Administration's proposed budget continues a disturbing and dangerous trend to grossly under-fund maintenance of small boat navigation channels as well as the nation's intracoastal waterways.**

- **The American Shore and Beach Preservation Association urges Congress to provide adequate funding for all types of civil works projects, including studies, in order to take the first step toward reinvigorating the nation's water resources.**