



CORPS OF ENGINEERS—CIVIL WORKS

Since 2001, the Administration:

- Developed a strategy for improving the performance of the Corps civil works program by establishing five principles to guide future authorization and funding decisions;
- Completed 70 projects, thereby reducing the large backlog of Corps construction work;
- Invested \$4.8 billion to restore nationally or regionally significant aquatic ecosystems, with emphasis on the Florida Everglades, the Upper Mississippi River, the Louisiana coastal area, and endangered species recovery efforts in the Columbia and Missouri River basins; and
- Improved compliance and enforcement of wetlands regulation and reduced the average time to process permits by an estimated 10 percent, or 15 days.

The President's 2008 Budget:

- Provides the highest level of funding ever included in any President's budget for Corps water resources projects and programs;
- Improves the performance of the construction program by focusing on the projects that provide the best net economic and environmental returns to the Nation;
- Emphasizes performance of existing projects by focusing on the maintenance of key commercial navigation, flood and storm damage reduction, hydropower, and other facilities; and
- Improves the readiness of the Corps to respond to floods, hurricanes, and other natural disasters by improving training and interagency coordination and by purchasing additional rapid response vehicles.

FOCUSING ON THE NATION’S PRIORITIES

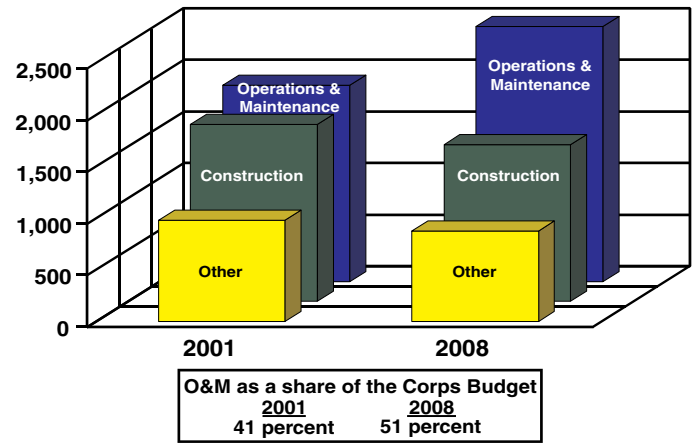
The Corps of Engineers civil works program within the Department of Defense has three main missions: 1) reduce the expected damage caused by floods and storms; 2) facilitate commercial navigation; and 3) restore aquatic ecosystems. The Corps conducts its work on projects in partnership with State and local governments and other non-Federal entities.

Maintaining Key Infrastructure Needs

The Administration is committed to maintaining key infrastructure owned and operated by the Corps. As these facilities age, operations, maintenance, and rehabilitation costs are increasing. These maintenance investments will improve the reliability of the services provided by this infrastructure.

The Budget includes a nine-percent increase for operation and maintenance (O&M) relative to the 2007 President’s Budget, to maintain the effectiveness of these facilities, and to take advantage of technologies that improve their performance and efficiency. Funds will be directed toward maintaining the overall condition of facilities as measured by facilities condition indices.

Administration Prioritizes Corps O&M Funding
(Budget authority in millions of dollars)



Prioritizing High Performing Projects

The Corps construction program emphasizes projects that will provide the best net economic and environmental returns to the Nation. The Budget allocates funding among projects based on their economic performance, as measured by their total national benefits divided by their total costs, or, for aquatic ecosystem restoration projects, by performance measures that include their environmental significance to the Nation and cost-effectiveness. The Budget focuses resources on high-ranking projects that have begun construction and gives priority to completing ongoing projects as opposed

Priority Construction Projects	2008 Budget Authority (in millions of dollars)	Project Purpose
Sims Bayou, Houston (TX)	24	Flood Damage Reduction
New York/New Jersey Harbor (NY, NJ)	91	Commercial Navigation
Olmsted Locks and Dam, Ohio River (IL, KY)	104	Commercial Navigation
Oakland Harbor (CA)	42	Commercial Navigation
Upper Mississippi River System Environmental Management Program (IL, IA, MN, MO, WI)	23	Commercial Navigation/Mitigation
Everglades/South Florida Ecosystem Restoration (FL)	162	Aquatic Ecosystem Restoration

to starting new ones. It also funds studies of those future projects that would potentially yield high net economic and environmental returns.

The Budget proposes to authorize the Corps to issue multi-year contracts in lieu of its current continuing contract authority. This would subject Corps contracts to conditions and oversight similar to those that apply to other Federal contracting agencies. It would increase the ability of the Executive Branch and the Congress to establish priorities by reducing the high out-year funding commitments that result from the existing contract authority.

Promoting User Financing of the Inland Waterways

The commercial barges that move cargo on the inland waterways pay a beneficiary-based excise tax of 20 cents per gallon on diesel fuel. The existing tax covers only about 10 percent of the total costs that the Corps incurs to make barge transportation possible on the inland waterway system. The Administration is developing and will propose legislation to require payment of a user fee designed to promote the efficient use of the Nation's overall resources and require the commercial interests that benefit from Corps spending on the inland waterways to carry more of the costs, thereby improving future Federal authorizing and funding decisions.

Increasing Preparedness

The Corps plays a central role in responding to flood, hurricane, and other natural disasters. Although disasters are often unpredictable, the Corps must be ably prepared to respond to their occurrence. For this reason, the Administration proposes to substantially increase the emergency preparedness budget to \$40 million in 2008. This increased funding will enable the Corps to train more of its staff to be able to effectively respond, improve needed inter-agency coordination to facilitate communication and response with State, local, and other Federal agencies, maintain larger emergency supply inventories, and purchase additional rapid response vehicles.

Addressing Aquatic Ecosystem Restoration Needs

The Budget's support for aquatic ecosystem restoration activities includes providing funding for three significant new initiatives:

Missouri River Fish and Wildlife Recovery. As part of its efforts to operate six large dams on the Missouri River to meet multiple purposes, the Corps is working to restore the habitat of an endangered fish called the pallid sturgeon. In 2008, it will begin construction work to modify Intake Dam on the Yellowstone River, a project that is potentially very important to the prospects for the survival of this species.

Everglades/South Florida. Building upon the success of the Kissimmee River aquatic ecosystem restoration effort, the Corps will conduct a study to reevaluate the Federal interest in expanding the area to be restored in order to reduce peak flows to Lake Okeechobee and achieve additional benefits for the ecosystem.

Chicago Sanitary and Ship Canal Dispersal Barrier. To protect the ecosystem of the Great Lakes from Asian carp, which have had a harmful impact on the ecology of the Illinois Waterway, and from other invasive species, the Corps will improve the existing electrical barrier on the Illinois Waterway and continue to construct a second barrier.

Safeguarding the Nation's Waters and Wetlands through Improved Regulation

The Corps regulatory program helps to protect the Nation's waters and wetlands. The program issues over 90,000 permits per year to developers, on the condition that the developer takes the steps needed to avoid, minimize, or mitigate potential environmental damage. In the past five years, the Administration has increased funding by 19 percent for this program to improve performance. The Corps is issuing more permits and reducing the time it takes to secure a permit, while increasing on-site inspections to ensure compliance by recipients with the terms of their permits. The net effect is a more efficient permitting process and less costly development, while protecting important aquatic resources.

Army Corps of Engineers—Civil Works (In millions of dollars)

	2006 Actual	Estimate	
		2007	2008
Spending			
Discretionary Budget Authority:			
Construction ¹	2,348	1,891	1,523
Operation and Maintenance ¹	1,980	1,975	2,471
Flood Control, Mississippi River and Tributaries.....	396	291	260
Flood Control and Coastal Emergencies.....	—	—	40
Investigations	164	134	90
Regulatory Program	158	152	180
Formerly Utilized Sites Remedial Action Program	139	130	130
Expenses.....	152	142	177
Office of Assistant Secretary (Civil Works).....	4	4	—
Total, Discretionary budget authority	5,341	4,719	4,871
<i>Memorandum:</i>			
Budget authority from enacted supplementals.....	6,585	—	—
Additional funding requirements	—	— ²	—
Total, Discretionary outlays	7,184	7,584	6,486
Mandatory Outlays:			
Existing law	-220	-6	22
Legislative proposal, Recreation Program User Fee.....	—	—	-7
Total, Mandatory outlays	-220	-6	15
Total, Outlays	6,964	7,578	6,501

¹ The 2008 Budget reflects a transfer of certain activities from the construction program to the operation and maintenance program.

² Reflects the proposed reallocation of \$1.0 billion within the Flood Control and Coastal Emergencies account, as well as the proposed reallocation of \$0.3 billion from the Construction account to the Flood Control and Coastal Emergencies account.