

Opening Statement
Chairman Dianne Feinstein
Hearing on the Fiscal Year 2012 Budget Request for the U.S. Army Corps of Engineers
and the Bureau of Reclamation
April 13, 2011

Good afternoon ladies and gentlemen and welcome to the Energy and Water Subcommittee's oversight hearing on the Fiscal Year 2012 budget requests for the U.S. Army Corps of Engineers and the Department of Interior.

We all recognize the difficult fiscal environment that we are in. However, we also recognize that the economy, while recovering, is still fragile.

Now is not the time to cut funds for agencies that stimulate economic and job growth, and protect the safety of our communities.

The Corps and the Bureau are the agencies we depend on to build the water infrastructure that moves our nation's cargo, protect our cities from flooding, provide irrigation water and hydropower, and facilitate much-needed environmental restoration.

Not only does the work of these agencies provide jobs now, the infrastructure that is constructed continues to benefit the economy for decades in the future which in turn creates more jobs.

Unfortunately, the budget request reflects the consistent underfunding that we have seen in prior years.

The President's FY 2012 budget proposal for the Corps of Engineers is \$4.6 billion, which is 15% below the FY10 enacted amount.

The two major project accounts for the Department of Interior under the jurisdiction of this subcommittee are proposed at \$1.05 billion, which is 7% below the FY10 enacted amount.

This is a tough budget for both agencies that seems to be out of balance.

For the Corps, the top six construction projects account for \$737M of the \$1.48B requested for construction work. That is 51.8% of the total. The other 79 construction projects proposed compete for the remaining 48% of the funds.

In the General Investigation account, 75% of the funding is directed to national programs and two individual studies. The other 63 studies proposed compete for 25% of the funds.

In Reclamation's budget I am pleased to see the Administration propose a new account for the San Joaquin River Restoration.

This \$9 million in discretionary funding, along with the mandatory funding under the Settlement Agreement, will assure that water impacts are reduced or avoided while maintaining the San Joaquin River ecosystem.

Rural water projects are funded in both the Water and Related Resources Account and in the proposed new Indian Water Rights Account for FY 2012.

There are seven ongoing rural water projects proposed at 35.5 million in the Water and Related Resources Account for FY 2012. All these projects benefit various tribes.

The new Indian Water Rights Account proposes \$51.5 million for four similar new projects. One has to wonder whether these funds can effectively be used for these new rural water systems in FY 12.

I look forward to exploring these and other issues with our witnesses.

Senator Alexander would you care to make an opening statement?

If there are no more statements, I would like to turn to the witnesses.

From the Department of the Army we will hear from Jo-Ellen Darcy, Assistant Secretary of the Army for Civil Works and Lieutenant General Robert L. Van Antwerp, Chief of Engineers for the U.S. Army Corps of Engineers.

From the Department of Interior we will hear from Anne Castle, Assistant Secretary for Water and Science; and Michael L. Connor, Commissioner, Bureau of Reclamation

Thank you all for appearing before us today.

General Van Antwerp, I understand that this will be your last appearance before the committee as you will be retiring next month. Thank you for your many years of service to the nation. I look forward to working with your successor, General Bostick, once he is confirmed.

I would like to remind the witnesses that your full statements will be made a part of the hearing record. Please provide us with a brief summary of your statements.

Secretary Darcy would you begin.