

TESTIMONY OF
THE RED RIVER VALLEY ASSOCIATION
SUBCOMMITTEE ON ENERGY AND WATER DEVELOPMENT
COMMITTEE ON APPROPRIATIONS
FY 2016 'CIVIL WORKS' – CORPS OF ENGINEERS
UNITED STATES SENATE

Mr. Chairman and members of the Committee, I am Dan York, RRVA President, and pleased to represent the Red River Valley Association, 629 Spring St., Shreveport, Louisiana. Our organization was founded in 1925 with the express purpose of uniting the citizens of Arkansas, Louisiana, Oklahoma and Texas to develop the land and water resources of the Red River Basin.

The resolutions contained herein were adopted by the Association during its 90th Annual Meeting in Shreveport, Louisiana, on February 19, 2015, and represent the combined concerns of the citizens of the Red River Basin area as they pertain to the goals of the Association.

The President's FY 2016 budget includes \$4.732 billion for the civil works programs, which is \$735 million less than what Congress enacted in FY 2015! What other agency was cut 14%? The Administration fails to recognize the Corps' critical role as stewards of our nation's water resources, and the vital importance of our water resources infrastructure to our nation's economic well-being. It is obvious that the intent of Congress is to fund civil works projects, but the Administration has ignored Congress. This funding level does not come close to the real needs of our nation. A more realistic funding level to meet the existing needs of the civil works program is \$6 billion for FY 2016.

The traditional civil works programs remain at the low, unacceptable level as in past years. These projects are the backbone to our nation's infrastructure for waterways, flood risk reduction, water supply, recreation and ecosystem restoration. We remind you that civil works projects are a true **'jobs program'** in that up to 85% of project development funding is contracted to the private sector; 100% of the construction, as well as much of the architect and engineering work. Not only do these projects provide jobs, but provide economic development opportunities for our communities to grow and prosper, creating permanent jobs. We encourage Congress to increase the 'water' share of the total Energy and Water Bill closer to the \$6 billion appropriation for civil works projects.

We want to express our appreciation to the Appropriation Subcommittee on Energy & Water for including in the FY2015 Omnibus; Consolidated and Further Continuing Appropriations Act, the provisions for 'Additional Funds'. These provision, in the GI, CG & O&M accounts, provided the opportunity for underfunded projects to receive critical additional funding, such as O&M maintenance dredging for waterways. With the disappointing budget submitted by the Administration this may be the only process to receive needed funding to remain operational. We strongly encourage Congress to pass a FY 2016 Appropriation Bill with these provisions.

We have great concerns over the issue of the **'earmark ban'**. Civil Works projects are not earmarks and should be redefined! Civil Works projects go through a vetted process; reconnaissance study, feasibility study, benefit to cost ratio test, EIS, peer review, review by

agencies, public review and comment, final Chief of Engineer approval, authorization by Congress in a WRDA bill and signed into law by the President. No other federal program goes through such a rigorous approval process. Each justified project 'stands alone' and is proven to be of national interest and should be funded by project. For most projects there is local sponsor cost sharing during the feasibility study, construction and for O&M. Those who have contributed, in most cases – millions of dollars – to the process, must have the ability to have a say for their projects to get funded. That voice is through their Congressional delegation. We believe that true earmarks are not in the national interest, but it does not pertain to the civil works program. For civil works it is an issue of priority of projects to be funded and who will determine that priority, OMB or Congress! We hope Congress takes back their responsibility to determine civil works priorities and to determine how its citizens' tax dollars are spent. The energy & water appropriation bill is not an earmark bill, it is a project bill.

I would now like to comment on some of our specific issues for the future economic well being of the citizens residing in the four state Red River Basin region.

Navigation: The J. Bennett Johnston Waterway is living up to the expectations of the benefits projected. We are proud of our public ports, municipalities, private industry and state agencies that have created this success. This upward 'trend' in usage will continue as new industries commence operations. A major German company, Benteler Steel/Tube, has construction on a \$900 million pipe manufacturing facility at the Caddo-Bossier Port and will be operational August 2015. The facility will have 675 permanent employees. Cool Planet has commenced construction for a bio-refinery at the Alexandria Regional Port, with a second refinery expected at the Natchitoches Parish Port. These plants will use wood waste and forest byproducts from the timber industry in the region. American Specialty Alloys announced a \$2.4 billion aluminum mill for automotive and aerospace products. Their plant will hire 1,400 full time employees over a five year period and much of their in-coming cargo will be on the Waterway. These projects are proof of the Waterway growth as is the fact that there are many more industries considering using our Waterway and locating at the public ports, as well as consideration for private terminals.

We have a serious issue with the J. Bennett Johnston Waterway O&M in the President's budget. The FY 2016 budget proposal of \$8,782,000, for O&M for the J. Bennett Johnston Waterway, is \$1,919,450 less than enacted in FY 2015 (\$10,701,450). This is far short of the \$11 million basic, minimum O&M requirement to maintain the Waterway at the authorized 9' by 200' channel. If the required funding level of at least \$11 million is not appropriated the Waterway may actually shut down to all traffic and industry will see the Waterway as unreliable and choose alternative modes of transportation, impacting jobs.

The Inland Marine Transportation System (IMTS), an internal Corps program, is implementing a 'lock level of service' mandate. This mandate will determine the hours of operations at each lock based on annual commercial lockages and we question what benefits are realized as compared to the negative impact on industry. This mandate will impact the reliability of waterways creating a downward spiral of users insuring the failure of tributary waterways. The J. Bennett Johnston Waterway was authorized into law and required to operate 24 hours, 7 days a week, 365 days a year, with a 9' by 200' channel. We believe the federal government has an obligation to operate

and maintain this Waterway as directed by law. We do appreciate that the USACE, Vicksburg District has considered the growth potential and that this is a young Waterway in terms of economic development and has maintained our locks at full service levels.

The only metrics used by the Corps of Engineers is tons moving on inland waterways. This is unrealistic. It does not reflect the true benefits of waterways. Using these metrics to determine 'high' and 'low' use waterways may be the Corps' way to determine where to apply budget cuts, but it is sending the message that our waterways are failures! Since navigation projects are 100% federal responsibility, it is the Corps that has failed. We believe railroads are using these metrics of failure and drastic budget cuts to convince industry that waterborne transportation is unreliable and undependable. Waterborne transportation is the only competition to long haul rail.

The primary justification for navigation projects was the national benefit of reduced transportation costs, known as 'water compelled' rates. If waterways are threatened or closed then railroads will have a monopoly and transportation rates will greatly increase for all industries. Cargos will shift back to highways, putting more trucks on our already congested highways. Reducing reliability of waterways has a negative impact on transportation costs, highway congestion and increased air pollution and fuel consumption. Issues the Administration states they want to avoid.

Flood Risk Reduction: What will happen when we ignore our levee systems? We know the Red River levees in Arkansas do not meet federal standards, which is why we have the authorized project, 'Red River Below Denison Dam, TX, AR & LA'. Now is the time to bring these levees up to standards, before a major flood event, which one day will occur.

We continue to consider flood risk reduction a major objective and request continue funding the levee rehabilitation projects ongoing in Arkansas. Five of eleven levee sections have been completed and brought to federal standards. Approximately one third of the Red River Levee District (Lafayette County, AR) has been completed. The completion of this project has ceased due to the lack of Administration support. Congress cannot provide funding due to the earmark ban.

The levees in Louisiana have been incorporated into the Federal system; however, they do not meet current safety standards. These levees do not have a gravel surface roadway, threatening their integrity during times of flooding. It is essential for personnel to traverse the levees during a flood event to inspect them for problems. Without the gravel surface the vehicles will cause rutting, which can create conditions for the levees to fail. A gravel surface will insure inspection personnel can check the levees during the saturated conditions of a flood. This project is also authorized in the existing authorization.

There is an authorized project, Red River Below Denison Dam; AR & LA, which funds these levee projects. A total of \$6,300,000 capability could be used in FY 2016.

Bank Stabilization: One of the most important, continuing programs, on the Red River is bank stabilization in SW Arkansas and North Louisiana under the authorized project - Red River Emergency Bank Protection. We must stop the loss of valuable farmland that erodes down the river and interferes with the navigation channel. In addition to the loss of farmland is the threat

to public utilities such as levees, roads, electric power lines and bridges, as well as increased dredging cost in the navigable waterway in Louisiana. These bank stabilization projects are compatible with subsequent navigation into Arkansas and we urge that they be continued in those locations designated by the Corps of Engineers to be the areas of highest priority.

The first phase of Dickson Revetment was completed before funding ceased due to the no earmark ban. The river is eroding the work that has been completed, since the lower end has been left unprotected and incomplete. It is difficult to understand that the millions of dollars spent will be lost, if the whole revetment project is not completed. The remaining project funding required is \$16,000,000; however, it could be completed in phases over a number of years.

The authorized project, Red River Emergency Bank Protection, which funds these bank stabilization projects has a total capability of \$19,600,000 for FY 2016.

Water Quality: The Assistant Secretary of the Army (Civil Works), in October 1998, agreed to support a re-evaluation of the Wichita River Basin tributary of the Chloride Control Project. The re-evaluation report was completed and the Director of Civil Works signed the Environmental Record of Decision. The plan was found to be economically justified. Then the ASA (CW) directed that construction would not proceed until a local sponsor was found to assume 100% of the O&M for the project. The 2007 WRDA Bill included language that clarified that all aspects of this project will be at full federal expense, to include O&M. Over the past years there has been a renewed interest by the Lugart-Altus Irrigation District to evaluate construction of Area VI, of the Chloride Control Project, in Oklahoma. They have obtained the support of many State and Federal legislators, as well as the Oklahoma Governor in support of a re-evaluation report.

The authorized project; Chloride Control Project, TX, OK, AR & LA, has the capability for \$7,200,000 to continue construction in the Wichita River Basin in Texas and \$2,093,000 for the re-evaluation study at Area VI in Oklahoma.

A private company, Good Earth Mechanics (GEM) has proposed a private venture to install 'solar ponds' to generate base load, renewable energy. They are working with the US Air Force and US Army to secure long term power contracts. This initiative (no government funding) could use all the salt water from the Texas and Oklahoma sources, which would greatly reduce the overall project cost. It is truly a win-win proposition.

The western areas of Texas and Oklahoma are water deprived and sorely need the Chloride Control Project. The need for water quality and quantity will increase over time and this project will assist in meeting those needs, as long as federal funding is appropriated to keep the project moving forward.

Thank you for the opportunity to present this testimony for the Red River Valley Association on behalf of the industries, organizations, municipalities and citizens we represent throughout the four state Red River Valley region. The Civil Works program directly relates to national security by investing in economic infrastructure. If waterways are closed companies will not relocate to other parts of the country – they will move overseas. If we do not invest now there will be a negative impact on our ability to compete in the world market threatening our national security.

Please direct your comments and questions to our Executive Director, Richard Brontoli, (318) 221-5233, E-mail: redriverva@hotmail.com, P.O. Box 709, Shreveport, LA 71162.