



Statement of
The Water Resources Coalition
Before the
Committee on Environment and Public Works
U.S. Senate
On the
Water Resources Development Act of 2010:
Jobs and Economic Opportunities
May 6, 2010

Madame Chairwoman and Members of the Committee:

The Water Resources Council (WRC) appreciates the opportunity to present this statement for the record on the hearing entitled "Water Resources Development Act 2010: Jobs and Economic Opportunities."

The WRC was established in 2007. It works for the development, implementation and funding of a comprehensive, national water resources policy to ensure a sustainable, productive economy; a healthy aquatic ecology; and public health and safety. Coalition members become key players in the effort to improve, prevent, and save our nation's water resources while preventing the loss of life and property.

improve, prevent, save
www.waterresourcescoalition.org

ASCE
101 Constitution Ave., NW
Ste. 375 East
Washington, DC 20001
202-789-7850 (ASCE)

AGC
2300 Wilson Boulevard
Suite 400
Arlington, VA 22201
703-837-5435 (AGC)

The Coalition's members are the American Council of Engineering Companies; the American Public Works Association; the American Shore and Beach Preservation Association; the American Society of Civil Engineers; the Association of California Water Agencies; the Association of State Dam Safety Officials; the Associated Equipment Distributors; the Associated General Contractors of America; the Atlantic Intracoastal Waterway Association; the Coast Builders Association; the Dredging Contractors of America; the Everglades Trust; the Florida Inland Navigation District; the Missouri Corn Growers Association; the National Association of Regional Councils; the National Association of Flood and Stormwater Management Agencies; the National Sand, Stone and Gravel Association; the Oregon Water Resources Congress; and the Upper Mississippi, Illinois and Missouri Rivers Association.

INTRODUCTION

Our nation's water resources are critical to our economy, our infrastructure, public safety, and the preservation and enhancement of our environmental resources. Much of our water infrastructure is aging, compromising its ability to meet the needs for which it was created. With a commitment from Congress to a plan that increases funding for its civil works program over the next five years, critical water resources projects could be executed at levels that will eliminate the backlog of projects and meet the nation's water resource needs.

In recent years, national investment in water resources projects has not kept pace with the level of economic and social expansion. Over the last 30 years, the U.S. population has increased more than 40 percent while the Gross Domestic Product (GDP) has grown from \$2.5 trillion to \$7.5 trillion.

Recent research now estimates that every \$1 billion invested in infrastructure projects would create over 28,500 new direct and indirect jobs. Each \$1 billion invested would add about \$3.4 billion to the GDP as the increased savings moves through the economy and about \$1.1 billion to personal earnings. An infusion of federal infrastructure funding would have direct economic benefits.

Capital investment in public water resources infrastructure, however, has decreased by 70 percent. The combination of an expanding population and economy coupled with a decline in infrastructure investment has created a substantial investment gap. The president's budget for the Civil Works Program in FY 2011 further reduces federal investments in essential national civil works systems.

In January 2009, the American Society of Civil Engineers (ASCE) released the latest edition of its Report Card for America's Infrastructure. That report gave the nation's public works systems an overall grade of D due to years of neglect in basic capital investments. Decades of delayed maintenance and modernization have left Americans with an outdated and failing infrastructure that cannot meet the nation's demands.

Levees received a D–. More than 85 percent of the nation's estimated 100,000 miles of levees are locally owned and maintained. The reliability of many of these levees is unknown. Many are more than 50 years old and were originally built to protect crops from flooding. With an increase in development behind these levees, the risk to public health and safety from failure has increased. Rough estimates put the cost at more than \$100 billion to repair and rehabilitate the nation's levees.

The nation's 12,000 miles of inland waterways received a grade of D– as well. Of the 257 locks still in use on the nation's inland waterways, 30 were built in the 19th century and another 92 are more than 60 years old. The average age of all federally owned or operated locks is nearly 60 years, well past their planned design life of 50 years.

INCREASED INFRASTRUCTURE INVESTMENTS URGENTLY NEEDED

WRDA reaffirms the government's pledge to authorize, modify, and improve projects, programs, and policies protecting the nation from floods and keeping our waterways open to navigation. Regular authorizations of water resources development projects fulfill these important missions. Accordingly, Congress must regularly authorize and invest in new waterways projects to secure our nation.

But the president's budget for the Civil Works Program in FY 2011 continues a decadeslong trend of reducing federal investments in essential national civil works systems.

The budget proposal totals only \$4.9 billion, a reduction of 9.3 percent from the FY 2010 enacted level of \$5.4 billion. The administration request represents a 51 percent decrease from the FY 2009 enacted total of \$10 billion through regular appropriations and the American Recovery and Reinvestment Act.

The proposed construction budget for FY 2011 would assign \$1.7 billion to 99 construction projects, but only two of these are new starts.. The administration's request represents a reduction of \$341 million from the FY 2010 appropriation for this account. These funds are used for the construction of river and harbor, flood control, shore protection, environmental restoration, and related projects specifically authorized or made available for selection by law.

Moreover, the trend is not likely to improve in future years. The Corps estimates that its budget proposals will continue to decline through FY 2015, with a low estimate of \$4.5 billion for FY 2013. The Corps expects that inflation will reduce actual spending on key infrastructure programs by a further \$3 billion over the next five years. These levels of spending are inadequate to meet the nation's security, economic and environmental demands in the 21st century.

The construction industry continues to suffer from weak demand for new construction activity. Annual construction spending declined to an eight-year low in February 2010. Single-family homebuilding and economic stimulus provided by the American Recovery

and Reinvestment Act should help boost construction employment in a number of metro areas this spring, but high vacancy rates and shrinking state and local budgets will keep construction employment from rising in most areas.

- Additional federal infrastructure funding would have a direct economic impact by putting more people back to work. This type of infrastructure investment program also improves economic efficiency, and makes the nation more competitive. As ASCE reported in 2009, it will require \$2.2 trillion in federal, state and local funds to improve our nation's infrastructure over the next five years—including more than \$1 trillion in new investments.
- Waterways programs foster economic development, facilitate trade and commerce, aid international competitiveness, stimulate employment, provide water recreation opportunities, enhance agricultural and industrial productivity, and augment our national defense.
- Water resources programs protect life and property from the flooding and ensure sustainability.
- Reduced funding for beach nourishment projects forces some Members of Congress to make requests to add funding for projects in their districts based on requests from their constituents. While there is a process in place to assure that these requests are within the “capability” of the Corps of Engineers, there is no process that enables the Corps to provide Congress with information that would prioritize beach nourishment projects based on factors such as public safety, sea level rise, environmental resources, etc. Congress should mandate a report from the Corps that recommends a science-based method of prioritizing beach nourishment projects, and urges support from the Committee.
- The Corps should receive a significant proportion of the state and local carbon allowances for adaptation initiatives in a future energy bill. Revenues from the allowances should be dedicated to preparing water resources projects for the impacts of climate change. Expected sea level rises, increased droughts, and extreme weather effects will have a particular influence on Corps projects and programs, and protecting those investments should be a key consideration.
- Water resources projects are investments in the future rather than consumption. Once built, will provide a continuous return on the investment.

This concludes the WRC statement for the hearing record on the need for WRDA 2010 and the economic benefits such legislation would create.

Respectfully,

THE WATER RESOURCES COALITION