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News Release:

President's Fiscal Year 2005 Civil Works budget released

Washington (Feb. 2) – The Fiscal Year 2005 (FY05) budget transmitted to Congress today includes \$4.215 billion in new Federal funding for the Civil Works program of the U.S. Army Corps of Engineers (Corps). Assistant Secretary of the Army (Civil Works) John Paul Woodley, Jr., said, “The Army Civil Works budget for FY 2005 continues our focus on continuing and completing the work that makes the greatest contributions to the economic and environmental well-being of the Nation.”

The Army Civil Works program undertakes the development and restoration of the Nation's water and related resources, operation and maintenance of existing federally-owned water resources projects, protection of the Nation's waters and wetlands, and restoration of sites contaminated as a result of the Nation's early atomic weapons development program.

The new Federal funding for Civil Works budget consists of \$3.303 billion from the general fund, \$610 million from the Harbor Maintenance Trust Fund, \$115 million from the Inland Waterways Trust Fund, \$37 million from Special Recreation Use Fees, and, under proposed legislation, \$150 million from the direct financing of hydropower operation and maintenance costs by three Federal power marketing administrations.

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The new Federal funding will be distributed as follows among the appropriation accounts:

\$1.926 billion for Operation and Maintenance

\$1.4215 billion for Construction

\$270 million for Flood Control, Mississippi River and Tributaries

\$167 million for General Expenses

\$150 million for the Regulatory Program

\$140 million for the Formerly Utilized Sites Remedial Action Program

\$90.5 million for General Investigations

\$50 million for Flood Control and Coastal Emergencies

Other sources of funding are estimated at \$437 million, including \$71 million transferred from the Bonneville Power Administration for operation and maintenance of hydropower facilities in the Pacific Northwest and \$287 million contributed by non-federal interests. The budget also proposes to cancel all unobligated balances remaining at the end of FY 2004 for work on 41 projects that raise policy concerns.

The balance of funding required beyond FY 2005 to complete the budgeted construction projects is very high. In recent years, these projects have had to compete for funding with numerous new construction starts. To maximize the net benefits of the construction program and finish the construction backlog more quickly than under current trends, the budget redirects funding from projects that are inconsistent with long-established policies, provides funding to complete 11 ongoing projects in FY 2005, and provides substantial funding for dam safety investments and eight projects that are the highest priorities in the Nation. The high priority projects are the New York and New Jersey Harbor deepening project (\$103 million); the Olmsted Locks and Dam, IL & KY, project (\$75 million); projects to restore the Florida Everglades (\$125 million) and the side channels of the Upper Mississippi River system (\$28 million); projects to provide flood damage reduction to urban areas, namely, the Sims Bayou, Houston, TX, project (\$16 million) and the West Bank and Vicinity, New Orleans, LA, project (\$37 million); and projects to meet environmental requirements in the Columbia River Basin (\$107 million) and the Missouri River basin (\$69 million). The budget also funds three new projects with high economic and environmental returns, and enables continued progress on other construction projects in the Construction account and the Flood Control, Mississippi River and Tributaries account.

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In keeping with its approach to reducing the backlog, the budget limits funding for the planning and design of new projects. However, the budget includes five new, high priority studies that compete successfully for funding.

The budget for Operation and Maintenance supports key infrastructure, provides for improved facility security, and emphasizes recreation modernization. The budget also proposes a new \$35 million reserve fund to meet unexpected, urgent maintenance and repair needs at key facilities. The budget de-emphasizes shallow draft harbors and low commercial use waterways, but supports maintenance funding for shallow draft harbors that provide significant commercial navigation, commercial or subsistence fishing, or public transportation benefits.

Two programs have been rated as moderately effective using the Administration's Program Assessment Rating Tool. For the Regulatory Program, the budget enables continued efforts to reduce permit evaluation time, improve protection of aquatic resources, and provide wetlands protection through watershed approaches. For the Flood Control and Coastal Emergencies program, the budget proposes \$50 million to prepare for and respond to major flood and storm emergencies.

The Army Civil Works program has made progress on the President's Management Agenda, and we are confident that our work on the President's initiatives will yield greater program efficiency and effectiveness in the years to come.

The mission of the United States Army Corps of Engineers, the world's preeminent public engineering agency, is to provide quality, responsive engineering services to the Nation and its armed forces. The Corps plans, designs, builds and operates water resources projects; designs and manages military facilities construction for the Army and Air Force at home and abroad; provides design and construction management support for other Defense and federal agencies; cleans hazardous areas across the Nation through the Formerly Used Defense Sites program and the Formerly Utilized Sites Remedial Action Program; and conducts state of the art engineering research and design at its Engineer Research and Development Center.

The FY 2005 Army Civil Works budget information, including a state-by-state breakdown, is available on the Corps' World Wide Web site: www.usace.army.mil/civilworks/cecwb/budget.