

DEPARTMENT OF THE ARMY

STATEMENT OF

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(PLANNING POLICY AND LEGISLATION)

BEFORE THE

SUBCOMMITTEE ON WATER, POWER, AND OFFSHORE ENERGY RESOURCES
COMMITTEE ON INTERIOR AND INSULAR AFFAIRS
U.S. HOUSE OF REPRESENTATIVES

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Mr. Chairman and members of the Subcommittee, I am Morgan Rees, Deputy Assistant Secretary of the Army for Civil Works (Planning Policy and Legislation). I am pleased to be here today to provide the views of the Army on the American River Watershed Project.

In your letter of invitation for this hearing, Mr. Chairman, you provided copies of two recently introduced bills which would authorize water resource projects in the watershed. The Administration has these two bills, H.R. 5414 and H.R. 5584, under review and will provide a coordinated response to you when the review process is complete. For the purpose of this hearing, however, I need to point out that both of these bills would authorize a project based on a Chief of Engineers report, which still has major, unresolved issues. Until these issues are resolved and the project reviewed by the Assistant Secretary, the Administration would object to the enactment of any project authorization. I will discuss some of these issues in my statement.

On June 29, 1992, the Chief of Engineers signed a report and recommending to the Secretary of the Army the authorization of a project for flood control on the American River. The project would provide flood protection for the Natomas area and portions of Sacramento and surrounding communities from a storm with a recurrence frequency of 200 years. The details of the proposal are included in the Corps of Engineers' feasibility report which has been provided to committee staff. I am providing a summary of that report for the record.

The Corps' recommended plan consists of constructing new levees and raising existing levees in the Natomas area of Sacramento, and constructing a 425 feet high concrete detention dam with a 545,000

acre-feet capacity on the North Fork of the American River near Auburn, California. Recreation and environmental mitigation features are also a part of the recommended plan. The total first cost of the project is \$698,200,000, of which \$456,200,000 would be a federal cost, and \$242,000,000 would be a non-federal responsibility. The California State Board of Reclamation and the Sacramento Area Flood Control Agency are the project sponsors.

The recommendation of the Chief of Engineers is currently under review by the Assistant Secretary of the Army for Civil Works, the Honorable Nancy P. Dorn. The position of the Army will be determined after coordination and consultation with other Administration officials. In commenting on the proposal, several other departments, particularly the Department of the Interior and the Environmental Protection Agency, have raised numerous unresolved concerns. These issues include the extent of fish and wildlife mitigation, the cumulative impacts of related projects in the Central Valley, and the extent of mitigation required to compensate for secondary impacts caused by induced growth. The schedule for completing the consultation is uncertain at this time.

As background for the discussion of the American River project, I would like to discuss briefly the context in which the water resources planning process is conducted. As far back as 1950, an Inter-Agency Committee on Water Resources adopted government-wide planning criteria. These criteria were endorsed by Congress in Senate Document 97, in the 87th Congress, 1962. In 1965 more formal action was taken. Congress enacted the Water Resources Planning Act which established the Water Resources Council. One of the duties of the Council was to establish economic and environmental standards for all federal water resource agencies to use in evaluating water resources development projects. These standards, originally adopted in 1973 and revised in 1983, are called the Principles and Guidelines. The Principles and Guidelines require the agencies to select the alternative plan with the greatest net economic benefit consistent with protecting the nation's environment, pursuant to federal environmental statutes, Executive Orders, and other federal planning requirements. The Secretary of a department or head of an independent agency may grant an exception when there is some overriding reason for selecting another plan, based upon other federal, state, local, and international concerns. The plan with the greatest net economic benefits is called the National Economic Development Plan, or the NED plan.

It is important to understand that established water resources planning criteria do not establish any predetermined level of protection as a planning objective. Rather the planning objective is to determine the appropriate project and level of protection considering the economic, environmental, and engineering factors affecting the area being studied. The specifics of the project,

including design features and the level of protection are the outcome of the planning process established by the Principles and Guidelines.

In implementing the planning responsibilities of the Army civil works program, the Assistant Secretary and the Chief of Engineers have established the role of the Corps of Engineers in project development as neither advocating nor opposing any particular project. Rather, the Corps conducts an objective professional analysis and reaches a determination of whether a proposal is consistent with established federal laws, regulations, guidelines, and policies. Other federal agencies have authority to review and comment on the project's environmental consequences and whether or not the proposal is consistent with those laws and policies.

In 1988, the Office of the Assistant Secretary, in conjunction with the Office of the Chief of Engineers developed a project review process which has been followed since then, and which was followed in the case of the American River Project. The process is called "concurrent review" and involves simultaneous review of drafts of the project planning and engineering documents by staffs at each level of the Corps and Army organization prior to a district office issuing a draft report to the public. One objective of the process is to ensure that once a draft report is issued to the public, it will include sufficient information for the interested public and the decision makers to reach an informed judgment regarding the merits of the proposal. Once the concurrent review is complete and the Chief makes his report, the ultimate decision on a project for the Administration rests with the Assistant Secretary, who will coordinate her views with her counterparts in other agencies.

I will now address the process as it applies to the American River proposal. In carrying out my responsibilities to advise the Assistant Secretary of the Army for Civil Works, I have reviewed the project documents and have participated in numerous discussions about virtually all aspects of the project. Without hesitation I can say that this project has more complex and difficult environmental, engineering, economic, and social issues than any of the other 300 or more projects I have reviewed in my six years in this job. The reason for my pointing this out is that the decision on this project will involve an assessment of several sets of rather complex trade-offs. It is, therefore, critical that the project documents provide an objective, thorough, and comparative evaluation of (1) all practicable project alternatives, (2) potential impacts, and (3) adequate mitigation.

We have worked hard in the review process to be sure to address fully all the pertinent issues. In addition to extensive public review and comment, we invited the other federal agencies to participate in staff level meetings throughout the plan development activities. One of the milestone meetings of the process is what we call the "Feasibility Review Conference." This conference,

which is attended by the interested federal agencies, occurs at the point in the process where the Corps district office believes that a draft report is ready to be published for public review and comment. During the conference, all aspects of the study are addressed for sufficiency. After the conference, the Corps headquarters prepares what we call a PGM, meaning a Project Guidance Memorandum. The PGM gives directions to the Corps district engineer on what report revisions are necessary before the report is issued for public comment.

In the case of the American River study, we recognized the large number of concerns of other agencies. As a result, we took several unusual steps in the interest of addressing the concerns at the earliest possible time. First, soon after the Feasibility Review Conference and before the draft report was issued to the public, we held a meeting in Washington with Washington level representatives of each of the concerned agencies to discuss with them the concerns raised by their respective field offices at the Feasibility Review Conference. We then prepared a draft Project Guidance Memorandum and coordinated it with all agencies to be sure that the guidance we were furnishing to the Sacramento District to complete the report was acceptable. The concerns raised at that time were addressed in the final report. However, since these concerns have been expressed, we will continue to work with EPA and other agencies and the public to address any concerns they may continue to have.

At the time of the Feasibility Review Conference, the NED plan involved a dam near Auburn which would provide protection from flooding from a storm with a recurrence frequency of 400 years. Subsequent to the Feasibility Review Conference and after issuing the Project Guidance Memorandum, the project sponsor requested a change in the recommended project to a smaller dam which would protect against a storm with a recurrence frequency of 200 years.

In order to put the question of 400-year versus 200-year protection into context, the 400-year plan provided net economic development benefits of \$124,000,000 compared to \$102,000,000 for the 200-year plan. However, the smaller plan was more acceptable to the non-federal sponsor, due to economic, environmental, and public perception concerns. In light of the sponsor's request, the Corps is recommending that the Assistant Secretary grant an exception from the requirement to recommend the NED plan.

In summary, the federal planning process is specifically designed to produce a plan which balances a wide range of public objectives. The Corps of Engineers has followed this process to develop a plan for flood control for the Sacramento area which the Chief of Engineers believes to be consistent with established federal criteria. The Chief's recommendation is currently under review by the Assistant Secretary of the Army for Civil Works, who will

develop her recommendation after consultation with officials of other affected federal agencies.

Mr. Chairman, that concludes my statement. I will be happy to answer any questions.