REVIEW OF THE U.S. DEPARTMENT OF AGRICULTURE'S WATERSHED PROGRAMS

HEARING

BEFORE THE

SUBCOMMITTEE ON CONSERVATION, CREDIT, RURAL DEVELOPMENT, AND RESEARCH

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CONTENTS

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TUESDAY, DECEMBER 6, 2005

HOUSE OF REPRESENTATIVES,
COMMITTEE ON AGRICULTURE,
SUBCOMMITTEE ON CONSERVATION, CREDIT,
RURAL DEVELOPMENT AND RESEARCH,
Washington, DC.

The subcommittee met, pursuant to call, at 1:30 p.m., in room 1300 of the Longworth House Office Building, Hon. Frank D. Lucas (chairman of the subcommittee) presiding.

Members present: Representatives Moran, King, Schwarz, Holden, Cuellar, Case, Herseth, Goodlatte [ex officio] and Peterson [ex officio].

Staff present: Ryan Weston, Tyler Wegmeyer, Callista Gingrich, clerk; Lindsey Correa, and Anne Simmons.

OPENING STATEMENT OF HON. FRANK D. LUCAS, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF OKLAHOMA

Mr. LUCAS. This hearing of the Subcommittee on Conservation, Credit, Rural Development and Research to review USDA's watershed programs will come to order. Today we are here to discuss an extremely important, yet not widely known programs that provide safe drinking water, erosion control, wildlife habitat and flood protection to people and towns.

USDA has numerous watershed programs and by the time you have heard from all of our witnesses, you will realize that even with many programs, the Federal Government can't keep up with the funding requests needed by the public. More than 11,000 flood control dams have been built across the U.S.A. since 1948 and many of those are at or exceeding their intended 50-year life span.

The Appropriations Committee provides annual funding for the Watershed Surveys and Planning Program, the Watershed and Flood Prevention Operations Program and recently, the Watershed Rehabilitation Program. However, the Small Watershed Rehabilitation Program was authorized in the 2002 farm bill to receive mandatory funding so that the Appropriations Committee would not have to fund it on a yearly basis.

Many watershed projects have been authorized under Public Law 566 and 534. The P.L. 566 and 534 programs provide the basis for much of what the Appropriations Committee allows in its yearly allotments.

The administration has recently reviewed all watershed programs including agencies outside USDA to determine the redundancies and worked to develop a more efficient model for delivering funding. While I know that the administration may have many good intentions, I also know that the current backlog of requests for funding shows that funding requests will not disappear no matter how efficient the Government becomes.

NRCS has hired many new employees since the 2002 farm bill was passed and many of those employees are paid with those farm bill dollars. I also want to know if watershed employees are able to get the job done at the current levels. It appears that differing priorities are stretching the staffing levels to a critical point.

And finally, the subject of earmarks in the appropriations process is going to be discussed by many of our witnesses. It is true that USDA views the earmarks as troublesome if it is indeed to be allowed to "manage" the Watershed and Flood Prevention Operations Program, but USDA and the administration must work with Congress to provide that it has a viable and yes, politically acceptable alternative to the earmarks and I look forward to hearing from our witnesses today and at this moment I would like to turn to my ranking member, the gentleman from Pennsylvania, Mr. Holden, for his opening statement.

OPENING STATEMENT OF HON. TIM HOLDEN, A REPRESENTATIVE IN CONGRESS FROM THE COMMONWEALTH OF PENNSYLVANIA

Mr. HOLDEN. Thank you, Mr. Chairman, and thank you for holding this hearing this afternoon. I hope it will provide a good review of the value of watershed programs under the Natural Resources Conservation Service. It seems to me that these programs are what I call "trickle-up" efforts; by improving local watersheds, we contribute significantly to the revival of larger watersheds to where the smaller creeks, streams and rivers flow.

In my district, I have a very important watershed project that was authorized under Public Law 566, a program that allows the Natural Resources Conservation Service to assist local sponsors with watershed restoration. The Tulpehocken Creek Watershed project is very important because it would enhance fish and wildlife habitat, reduce cropland damage and improve surface and groundwater quality. The project is not only valuable for the local community, but also the greater mid-Atlantic area, because the Tulpehocken flows into the Susquehanna River and on to the Chesapeake Bay. Obviously, improving water quality in a local watershed enhances the condition of the larger region, as a whole.

The Tulpehocken Creek Watershed has a broad and involved community with strong interest to implement watershed stewardship projects, including the Berks and Lebanon Conservation Districts, and the Berks County Conservancy. But the Natural Resources Conservation Service plays a chief role in a project by providing the financial and technical assistance that ties everything together.

I believe the most successful, comprehensive watershed projects have a strong partnership of stakeholders from the local community and receive assistance from those with technical expertise, like

the NRCS. Local watershed coalitions and conservation organizations have a vested interest in improving water and environmental quality in their communities. Such collaboration exists with the Tulpehocken Creek Watershed project and those projects which my constituent, Mr. Ed Wytovich, will testify about today.

Ed has started many watershed groups in his community. These organizations have helped to create restoration plans for waterways that are impaired largely by polluted water draining from abandoned coal mines in northeastern Pennsylvania.

Pennsylvania has been mining coal for over 200 years, which contributed significantly to the Industrial Revolution and our Nation's climb to global power. While we have mined the coal that has played such a critical role in our country's rise, we are unfortunately left with much of the cleanup from abandoned coal mines that pose a risk to the health and safety of our community's residents. Reclaiming our abandoned mine legacy requires multiple tools to repair the multiple problems presented by polluted water draining from abandoned mines.

Improving water quality in coal mining areas, which are mostly rural, is important not only for the environment and surrounding communities, but also for agriculture that uses the water. Further, by reducing acid mine drainage, we increase the success of agriculture in helping to improve water quality and providing benefits for the environment. It also provides direct benefit to agriculture by providing better habitat for important species, such as those who help to pollinate agriculture crops.

Coalitions like the one that Ed has formed are the essential ingredient in watershed restoration, in the recipe. The other crucial ingredients are technical and financial assistance from specialists, such as the NRCS. With all of these resources mixed together, the recipe is a grand champion state fair winner.

Mr. Chairman, I look forward to hearing from the witnesses.

Mr. LUCAS. The chair thanks the ranking member of the subcommittee and would like to turn to the ranking member of the full Agriculture Committee and express his appreciation for his participation today, Mr. Peterson.

OPENING STATEMENT OF HON. COLLIN C. PETERSON, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF MINNESOTA

Mr. PETERSON. Thank you, Mr. Chairman, and thank you for your leadership and leadership, Mr. Holden, on this subcommittee and for calling this hearing today.

Having celebrated the 50th anniversary of the creation of the Small Watershed Program last year, I think today's hearing, oversight hearing, is very timely.

The Small Watershed Program is a very important tool for the watershed districts and other local conservation groups across the United States. I am pleased that Bruce Albright, with the Buffalo-Red River Watershed District, located in my district in northwestern Minnesota, is testifying today. This district actually is where our home farm is, and he does an outstanding job and my dad works with him some on projects out there yet, but had they been existence some time ago and done some of the work, I may not

have been sitting here today, because 1962, when I graduated from high school, I was going to farm and I took all of my money and put it into this, crops, and we ground it out three times and the Fourth of July was the last time when the water stood for 3 feet for an entire month and that kind of cured me of farming, but they have done a lot of good work there to solve a lot of those problems and they continue to do a lot of good work out there.

As many of the witnesses today will indicate, this program is at a crossroads and the Agriculture Committees need to make some decisions about the future of this program as we begin the next farm bill discussion. Prioritization of funding for this program remains the central question in regard to its future. Is it fair to keep hundreds of local project sponsors across the country guessing as to whether or not they will ever receive funding? I think that is one question we need to answer.

I appreciate what NRCS has attempted to do given the no-win situation that they have found themselves in, with their hands tied due to earmarks and facing criticism of the program from elsewhere within the administration.

But this program has been responsible for implementing billions of dollars worth of conservation practices in this country. We can't afford to let these efforts fall victim to our inability to address the issues surrounding the Federal Government's role in helping States and localities address water quality and quantity issues.

Again, I want to thank you, Mr. Chairman, and the ranking member for your leadership and I look forward to the witnesses' testimony.

Mr. LUCAS. Thank you. Any other members that have opening statements? Seeing none, we will now turn to our first witness at the table, Mr. Bruce Knight, Chief of the Natural Resources Conservation Service, USDA, here in the Nation's capital. Whenever you are ready, Chief.

STATEMENT OF BRUCE I. KNIGHT, CHIEF, NATURAL RESOURCES CONSERVATION SERVICE, U.S. DEPARTMENT OF AGRICULTURE

Mr. KNIGHT. Mr. Chairman, members of the subcommittee, thank you for the opportunity to appear today to discuss the water resource programs of the Natural Resources Conservation Service. Our mission, stated most simply, is helping people help the land, and through our water resource programs, NRCS employees work in partnership with local leaders to improve the overall function and health of our Nation's watersheds. I am pleased to share with you the accomplishments of these programs, as well as our vision for the future for these programs. It has been said before, last year was the 50th anniversary of these programs.

Today, coming off of that, I will discuss the three water resource accounts aimed towards comprehensive watershed planning and flood prevention. These programs are Watershed Surveys and Planning, Watershed and Flood Prevention Operations and Watershed Rehabilitation. I will also outline two key emergency recovery programs, the Emergency Watershed Protection Program, as well as Emergency Conservation Program, administered by the Farm Service Agency.

Watershed Surveys and Planning is an appropriate beginning point, since it is the program that works with communities to assess natural resource issues and develop coordinated watershed plans. These plans then provide the framework for local partners to take a comprehensive approach to water quality and quantity and focuses on solutions for the watershed, as a whole. Traditionally, these watershed plans became the basis for future Watershed and Flood Prevention Operations projects, which is the next account that I will attempt to highlight.

To provide perspective, there are over 2,000 Watershed and Flood Prevention Operation projects in the U.S., representing nearly $6 billion in infrastructure. These projects provide benefits to more than 48 million people. The project plans go through rigorous environmental and cost benefit reviews, which typically take several years to complete. Projects costing less than $5 million to construct in containing small-scale reservoirs, can be directly authorized by the agency. Projects costing more than $5 million with a reservoir smaller than 4,000 acre feet, must come before this committee, as well as the Senate, for authorization. Projects larger than this limit are then reviewed and authorized by the House Transportation Committee and the Senate Environment and Public Works Committee.

But this process is not the end of the story, Any project successful in getting authorized then goes on a wait list for funding and this tremendously popular program has an equally large backlog, currently $1.85 billion. We realize that backlog is staggering, based on current appropriations trends, so we have initiated a process to assess and categorize the Watershed Project backlog. This assessment will help us, as an agency, identify resource treatment needs that cannot be addressed either in the watershed programs or in other programs. The expected result will be a more realistic backlog of projects that help us to focus our resources on priority needs.

Mr. Chairman, I mentioned the current budgeting trends for the program and I want to highlight a major challenge for NRCS in operating this program. In recent years, fully 100 percent of the funding provided for this program has been directed towards earmarked projects in the appropriations process. In some cases, the amount of earmarks has, in fact, exceeded the appropriation for the program in total. This has resulted in program management challenges for us and has made meeting national priorities in prioritizing the work, itself, virtually impossible for the agency.

The situation also makes basic work force planning and positioning of our key engineering expertise challenging, to say the least. While the backlog for new projects is large, we are now seeing existing projects, some built in the 1940's and the 1950's begin to require substantial renovation due to aging, which leads us, then, to the Watershed Rehabilitation Program.

By 2010, more than 1,800 dams will exceed their 50-year design line. NRCS is actively helping local communities rehabilitate these aging dams.Since enactment of the rehabilitation amendments by Congress, NRCS has 78 dams that have rehabilitation plans authorized and implementation underway. As a matter of fact, today the Secretary is announcing three additional dams that are being reauthorized in Augusta County, Virginia. As we move forward

with this rehabilitation program, this is, as I have said, an important effort and has a direct impact on the safety of residents across the Nation, as well as the health and vibrancy of the natural resources.

In fiscal year 2006, the administration proposed cuts in funding for the water resource programs. However, I want to stress that zero funding does not mean zero support. This administration is not abandoning its commitment to the goals of the watershed programs. We are not giving up on the local efforts, but it is time to rethink our watershed programs. I mentioned our earmarking challenges earlier and there is also some duplication between those programs and farm bill activities. As a result, NRCS has undertaken an effort to examine the future of our water resource programs.

One of the strategies we are pursuing is the use of rapid watershed assessments. Quite simply, we would go into a watershed, look at what the needs are that can be addressed by all of the conservation programs in our conservation toolbox and attempt to address those things, not just with the traditional structure programs we have at our disposal. This is a rapid process, taking only 2 to 3 months, as opposed to the traditional 2 to 3 years, and one that would involve our stakeholders in these critical resource needs to quickly tie high-priority areas.

Mr. Chairman, we are proud of the fact that NRCS water resource programs work towards preventative measures to restore the proper functions of the watersheds, however, when needed, USDA provides recovery assistance primarily through two programs, the Emergency Conservation Program, administered by the Farm Service Agency, and the Emergency Watershed Program, administered by NRCS. Both of these programs offer vital recovery options for local communities after a disaster strikes. Immediately following the impacts of Hurricanes Katrina and Rita, FSA provided more than $31 million and NRCS provided nearly $23 million in disaster recovery funds, to the affected areas of the Gulf Coast. The administration has submitted, in turn, a budget request for an additional $200 million for the Emergency Watershed Program, alone.

In sum, I believe we have accomplished much in the water resource programs over the last 50 years. Economic, social and environmental benefits from these programs have been significant in the communities across the Nation. Through the Department's watershed programs, we continue to look forward to helping people help the land.

I thank the subcommittee and would be happy to respond to any questions at this time.

[The prepared statement of Mr. Knight appears at the conclusion of the hearing.]

Mr. LUCAS. Thank you, Chief. How many staffers are dedicated to watershed projects in each State and can they work on projects in other States once a dam or a watershed is finished being rehabilitated in that area? I guess in other words, Chief, do you have enough staff and do you have the flexibility to get those employees where they are needed?

Mr. KNIGHT. We have found that it has been very key for us to start shuffling folks around from State to State, even on a tem-

porary basis, to be able to address some of those particular needs and that has helped us bridge some of those gaps. I will submit, for the record for you, the number of staff we have by program nationwide, Watershed Surveys and Planning, we have 48 staff nationwide; Watershed Rehabilitation, 99 staff; P.L. 566, 263 staff, but I will submit that for the record, as well as by State. But we are plagued with not having the right staff with the right expertise in the right location as earmarks shift to priority around the Nation.

Mr. LUCAS. Thank you, Chief, and I look forward to that information. Do you expect future presidential budgets to fund the watershed programs at the current proposed levels?

Mr. KNIGHT. We are in the midst of the pass back process for the 2007 process. As you know, that is an administratively confidential scenario at this time and I, too, am waiting to see the net result of those funds.

Mr. LUCAS. Chief, you and I have discussed this before on various occasions, but several years ago I began my own personal crusade of going down to OMB and visiting with the director, whoever that might be at any given time, to help you with your project of enlightening them about the needs for these important matters, and I think we have come a long way, what, after 2 years of nothing in the budget, we have been funded the last 2; we are making progress and certainly, any help that you could provide in what is relevant in enlightening them, I would be pleased to hear, also.

Mr. KNIGHT. The item I would like to stress that I think bears reemphasis on this matter is what we can do with the rapid assessments, which is entirely within our purview, in that what I have been struck with in the last several years is that all too often our watershed programs have been placed on a shelf, not integrated with the rest of the conservation programs.

As a matter of fact, in some cases we are doing land treatment today in the watershed programs that is very similar to the kind of land treatment that can be provided in EQIP or the Wetlands Reserve Program or the Conservation Reserve Program or Wildlife Habitat Incentives Program, and we quite frankly don't have the luxury to administer those programs with that level of duplication when you are trying to manage scarce resources. And there are times when we can even, by moving ahead with some of those other programs addressing the land treatment, address some of the needs in the watersheds and so with the rapid assessment process, I will hope to be able to more fully integrate our conservation tools so that each complements the other, rather than being treated in a very stove-type manner.

Mr. LUCAS. It is all very well made, Chief, and I wholeheartedly agree. If you look at the older structures in my region of the country, had we had that kind of a comprehensive approach, had the tools been available in the 1940's, 1950's, 1960's, some of the sediment issues would not be present today, I wholeheartedly agree, but I can't help but note, if you look at the popularity of these programs, clearly there is a desire among the citizens out there for these efforts to go forward and part of the process, as you and I both know in Congress is making the resources available to meet

the needs. Some of that has to come from the administration side of the aisle as we work through this process.

We can't always, on this side of the chair, be expected to pull by ourselves and I realize you work for the President and I realize you are carrying out the policies of this administration that I so strongly support, but we have got to have a little pushing and pulling here if we are going to get all the needs met and clearly, that has not been the case for a long, long time. And I realize my time is about to expire, but before I turn to the chairman of the full committee and the ranking member, I would just note it seems that the priority process, the formula system we created for rehabilitation, which has stayed amazingly secure so far through several appropriations processes, very clearly defines where the needs are and tries to drive those resources when we can get sufficient resources to meet those.

Perhaps in this next farm bill we need to look at how the construction projects, themselves, have been done, whether it is as you would suggests, perhaps, clearing the deck and reassessing, but looking at a way to drive those dollars where the needs are greatest as opposed to where the politics is the most practical on any given day.

Mr. KNIGHT. The formula for determining priorities in rehabilitation, I believe has functioned well and we have actually used a similar formula manner for allocation of resources with many of our other programs; EQIP, Wildlife Habitat Incentives Program, several of those, in an attempt to always ensure that we are putting resources to those areas with the greatest environmental need using the best information that we have, environmentally, scientifically and capacity-wise.

Mr. LUCAS. Thank you, Chief. And with that, I will turn to the ranking member of the subcommittee.

Mr. HOLDEN. Thank you, Mr. Chairman.

Chief, nice to see you again and I want to thank you for your help and the good work that you do, particularly with the project that we discussed in my district that I mentioned in my opening statement. But we are facing serious fiscal problems here in our watershed restoration, as you mentioned in your statement, and not your fault, but we have some disagreements with the priorities of the administration when it comes to this very worthy public policy.

I noticed in your written statement that you said that there are other options available within NRCS, EQIP was one of them that you mentioned, but is that realistic? I think the backlog in EQIP is $2.2 billion nationwide and in Pennsylvania alone $35 million.

Mr. KNIGHT. In the EQIP, we have done a tremendous job over the last several years of whittling away on those backlogs. Three years ago, when I first sat in this chair, I was able to accept one out of every eight contracts in EQIP; this year we rounded out the year being able to accept one out of every three contracts, each of them ranked on environmental merit. The item that I find attractive about starting to use a rapid assessment process is we are able to start looking then, at how to bring all of the programs together, how to use a little bit of the buffers from the Conservation Reserve Program, some strategically located wetlands from the Wetlands

Reserve Program, properly prioritized contracts accepted in EQIP, to provide some of the land treatment to be able to assist in a watershed.

I think, most importantly, tap into this tremendous volume of knowledge we have from our Watershed Surveys and Planning to be able to address the environmental concerns in an individual, localized watershed and then roll that together to address the much larger watershed needs. We have a great deal of concern, all of us in this media market, about the Chesapeake Bay, but the real effort comes down at the local level and so it is the individual watersheds in Pennsylvania that we really need to be able to respond to those needs proactively, using all of the programs in our toolbox.

Mr. HOLDEN. Chief Knight, speaking of the Chesapeake Bay, when was the last time the NRCS dedicated staff to the Rural Abandoned Mine Program?

Mr. KNIGHT. I would have to double check. I believe the last time we received funding for the Rural Abandoned Mine Program was 1995.

Mr. HOLDEN. Why did we stop funding it?

Mr. KNIGHT. That is the last year that we had received funding. It has not been a program that I have received funding for in the last 3 years.

Mr. HOLDEN. Are there any active contracts still out there?

Mr. KNIGHT. I would have to check on that, sir. There could very well be some active contracts yet and I do know in a few areas in Pennsylvania where folks seeking assistance that used to be done with the Rural Abandoned Mine Program are now turning to our watershed programs to be able to address some of those concerns and that is a model that has had a reasonable level of success in some of those locations.

Mr. HOLDEN. And Chief Knight, in your conversations with OMB, if we are ever, ever going to clean up the Chesapeake Bay and make significant progress, we have to do something about acid mine drainage in northeastern Pennsylvania. It is a serious problem. Mr. Wytovich, who will testify in the next panel, will give the dollar amount to it, so I know that you understand the importance of it and I appreciate you relaying that to people who are counting the beans, so to speak.

Mr. KNIGHT. I will certainly relay that, sir, and it is one of those things that all of us in the natural resource area are cognizant of. Unfortunately, in the Chesapeake Bay, folks quite often look for a silver bullet and it is not just one issue, it is development, a portion of it is agriculture; a portion of it are these abandoned mine lands; it is things like gravel roads. It is going to be a host of small, incremental solutions that will turn around the vibrancy of the bay while we turn around the vibrancy of many of those local watersheds.

Mr. HOLDEN. One last question, Mr. Chairman. Chief, getting back to the earmarks. I am not sure I heard you right. Did you say sometimes the amount of earmarks exceeds the amount that you anticipated being appropriated?

Mr. KNIGHT. We have actually had to develop a formula for how to prorate back earmarks when the number of earmarks are beyond the capacity for us to deliver on and we ratchet back each of

the earmarks just enough to be able to operate the program nationwide and move those earmarks forward. It is an awkward cycle to get trapped in.

Mr. HOLDEN. I see my time is up, Mr. Chairman, but what percentage of the earmarks are authorized?

Mr. KNIGHT. I believe that all of them are fully authorized, unless there has been a general provision that has been added in the appropriations process, but I believe we have 100 percent of them authorized.

Mr. HOLDEN. Thank you.

Mr. LUCAS. Thank you, Mr. Holden. The chair now turns to the chairman of the full committee, the gentleman from Virginia.

The CHAIRMAN. Thank you, Mr. Chairman. I appreciate very much your holding this hearing. This is an issue that is of great interest to me, as Chief Knight well knows. He has been in my district twice this year and I very much appreciate the attention that he has paid to some of the issues that we have. As he knows, in a mountain and valley type district like I have, watershed issues are of paramount importance. Tremendous damage is caused by water coming down out of those mountains after heavy rain and the NRCS has been helpful in meeting some of the needs in conjunction with issues that are addressed by particularly the Army Corps of Engineers, but also EPA, and I think you are quite right to suggest that you have a unique perspective on some of those.

For example, the initiative involving our dairy farmers to try to reduce the nitrogen levels going into our rivers, to address the Chesapeake Bay concerns just raised by the gentleman from Pennsylvania, are very, very important to us because it is one of the better ways that we have to bring ourselves into compliance with what are increasingly onerous environmental regulations that simply add tremendously to the cost of doing business for agriculture in the Shenandoah Valley.

Now, one of the questions that I have is as I look at these projects, some of the larger ones in my area are handled by the Corps of Engineers. As you are aware, in Rockbridge County, in the city of Buena Vista, a major flood control measure was put in place by the Corps of Engineers a number of years ago that solves a number of problems for the city, but does not solve the problems of the incredible damage that we saw just a few years ago coming down out of those mountains. Those are smaller projects, doesn't generally get the attention of the Corps of Engineers, but the NRCS has paid attention to them and has been working with me and the local governments and the local soil and water conservation district to prepare some plans on how to control that water, as well.

Both of those are vitally important to that community and both deserve a great deal of consideration. My question to you is whether you think—I don't want to put you too much on the spot here, but this is a concern of mine and I know the of the Chairman Lucas' as well, if you think that in the Office of Management and Budget's eyes, the USDA programs are overshadowed by the Corps of Engineers and the EPA programs?

Mr. KNIGHT. I wouldn't characterize the programs we administer as being overshadowed by the larger programs that the Army

Corps administers or some of the regulatory tools that EPA brings to the table. When you start comparing programs based off of the cost to implement versus the number of people impacted or the community, the dollars and the efficiency, our program is targeted specifically at the smaller watersheds with a more rural flavor, may in fact have a lack of economy of scale that some of the economists may have challenges with and I have noticed that that lack of an economy of scale may have an impact for us.

When we are doing the kind of work that we have both seen in Buena Vista where we are well up the watershed, simply trying to keep the cobble from moving down into the community, fairly low tech, I think very cost effective, but difficult to develop that economic benefit cost ratio that everybody is striving to measure all the programs on.

The CHAIRMAN. Do you think there is an appreciation on the part of those who are writing the present budget that with the increasing national attention being paid to the Chesapeake Bay, as kind of a signature watershed in our country, it gets an awful lot of attention and I think deservedly so, that they do not appreciate the fact that a great deal of the impact on the bay is coming from a wide variety of sources that are not as easily addressed by some of the measures that are undertaken by the EPA and by the Army Corps of Engineers, but rather, programs that work directly with farmers, that maybe USDA is a little better suited to do, can have a greater impact and maybe the cost benefit analysis in that area might work in your favor if more attention and more funding were made available, not just for the Chesapeake Bay, for other similar concerns around the country, but that certainly is one where we ought to use that as a way to get their attention to understand that this funding is important.

Mr. KNIGHT. The Chesapeake Bay is a good example of that, sir, where some of the more recent studies have shown that the effectiveness of many of our programs are proving very, very applicable and I see very strong support for the USDA programs as it comes to addressing Chesapeake Bay issues, Columbia Basin issues, CALFED, many of those things, where our voluntary programs have a high degree of effectiveness and we are able to respond. The Chesapeake Bay, the frustration we quite often see is that people all too often are looking for that one item, that silver bullet that is not out there and all too often there are folks pointing fingers between development and agriculture and not recognizing that the long-term solution is going to be a little of both working cooperatively in the watershed.

The CHAIRMAN. Well, thank you, Chief Knight. Mr. Chairman, my time has expired, so I won't go into the issue of dam rehabilitation, which is another serious problem in my district and many other places around the country. I do appreciate the announcement just made by the Department that they will be working on three dams in Augusta County, but again, I will work with other members of this committee and the Appropriations Committee to see that we beef up the resources that are made available for dam rehabilitation because there is damn little of it. Thank you.

Mr. LUCAS. Thank you, Mr. Chairman, for your questions and your observations. The chair turns to the ranking member of the full committee from Pennsylvania, Mr. Peterson.

Mr. PETERSON. Given the weather in Minnesota, I wouldn't probably mind being in Pennsylvania.

Mr. LUCAS. So much for my OP geography. Thank you.

Mr. PETERSON. Thank you, Mr. Chairman. Chief Knight, as I understand it, there are several other watershed programs in the EPA that haven't been around as long as the USDA programs have. Can you explain how these EPA programs are different from P.L. 566 authority and how their budget compares to yours and if there is an instance where a local entity can get funding from both of those sources?

Mr. KNIGHT. I might have to respond to the record on doing the comparison of several of those programs. Our watershed programs tend to be much more structure based than some of the EPA programs and the EPA program folks talk about the most is the 319 Program and we would need to lay out the comparisons for these for your purposes, but we tend to be much more focused on a narrow watershed with a combination of the land treatment and the structure components with our watershed programs.

Mr. PETERSON. How is their budget? Can you tell us how much money have they have got?

Mr. KNIGHT. I do not have that off the top of my head, sir.

Mr. PETERSON. You don't know off-hand whether they can get from both sources?

Mr. KNIGHT. We try, in the whole effort with cooperative conservation, to be coordinating efforts wherever we can while also making sure that we are not having Federal dollars augment Federal dollars where that is prohibited and we quite often face that with our watershed programs. We are expecting a local match and we cannot utilize another Federal agency's contribution as part of that local match.

Mr. PETERSON. According to your testimony, NRCS and the FSA has completed, I guess, $54 million did you say, in the Katrina/Rita emergency, EWP and ECP, are you right about that?

Mr. KNIGHT. That is correct.

Mr. PETERSON. So you got that much done. How much more? Is that it or is there going to be more work to be done? Where are you at with that whole situation?

Mr. KNIGHT. With both ECP and EWP, those are funded on an ad hoc basis, as I believe everyone is aware of and as we face the devastation following Katrina and Rita, both Farm Service Agency and NRCS went through those projects that had been completed from previous year funding and swept up any of the dollars that we were able to save from lower cost contracts or work that wasn't done and that is what gave us a really sizable amount of money to respond as quickly as we could with Rita and Katrina.

We have, through the president's budget, proposed a request for $200 million for EWP and $160 for ECP for the funding for those two programs, so there is a great deal of work that remains to be done in the aftermath of both Katrina and Rita.

Mr. PETERSON. And at this point, do you think that is going to be the amount that is going to address the problems?

Mr. KNIGHT. That is the best estimate and was included in the president's request for the response to these two events.

Mr. PETERSON. In our part of the world, when we have had floods, we get a lot of erosion, they actually dig ditches through the fields and so forth, but down there they lost a lot of fences and that sort of thing. Do those things qualify?

Mr. KNIGHT. The Emergency Watershed Program is used to restore a watershed to its functioning capabilities and we work with a community or a community sponsor, so we will go in and help restore drainage, which we will do in areas following a hurricane, take trees out of a watershed so that we don't lose bridges, but that sort of work. The Farm Service Agency, when it administers ECP, is administering that on pasture land and farm land to be able to respond to the individual producer's needs and I know from visits in Florida that they have helped following a hurricane in rebuilding fences.

Mr. PETERSON. And that is where the FSA program, that probably would qualify.

Mr. KNIGHT. Yes, it would.

Mr. PETERSON. Thank you.

Mr. LUCAS. Thank you. And now the chair now turns to the gentleman from Michigan.

Mr. SCHWARZ. Mr. Chairman, I am on a learning curve today and I have no questions.

Mr. LUCAS. I am sure the Chief was pleased with that set of questions. We now turn to the gentleman from Hawaii.

Mr. CASE. Thank you, Mr. Chairman. Mr. Knight, let me focus on Watershed Flood Prevention Operations. It seems to me that whether it is coming out of the USDA or out of the OMB or out of Congress, these programs are not going anywhere fast in terms of increases in funding. Although I welcome your comments about trying to realize some critical mass and efficiencies from the use of other conservation programs, they are not going anywhere, either, as a practical matter of my observation.

They are not getting increases in funding. They are under attack all the time, whether it is within the administration or within Congress and the reality is there are lots of needs out there that are not being met and I think it is nice to talk about them and nice to talk about the combination of programs, but I think, realistically, where we are talking about right now is prioritizing projects that are on the book, much less dealing with projects that are coming at us and I don't like that conclusion, but nonetheless, I think that is the reality of the situation.

I am interested in your comments about how you propose to prioritize within the Watershed Flood Prevention Operations. I am referring to a sheet here that was not in your testimony, but came out of one of your handouts, which is called Unfunded Federal Commitments. It basically lists them all. It obviously interests me from a personal perspective because Hawaii, as I counted up, has the 10th largest total amount of unfunded Federal commitments, all of which are in the P.L. 566 program, so I am obviously concerned about, and I think it should be everybody's concern, about how you propose to prioritize these things because I think the practical answer may lie in how we all prioritize. It doesn't do a whole

bunch of good to leave these projects on the books. Some of my projects have been on the books authorized since 1972. I don't know if that is unusual or not, but that is how old some of them are.

And so the question is can you flesh out a little bit more your priority funds? You talk about local action, for example, as being a criteria for prioritization. You talk about some, talk around a little bit in the materials here and what I think you are saying is some update on the merits of each one of these projects which may or may not have arisen out of an earmark situation or a specific authorization that was congressionally driven or USDA driven. How exactly do you want to go about prioritizing and working with Congress to do it?

Mr. KNIGHT. With any of our other programs, sir, we would do a resource-based allocation to a State and then let the local conservation process, working with our partners, make that sort of a determination at the State level. That is the way we do almost any other program except this, because we are plagued with the earmarks. We are really plagued with how do you handle an appropriate process that gets us to the level of discussion.

The first step for us is to now go through a program like this. We show a $1.8 billion backlog. Your project that you mentioned that was authorized in 1972, I wish it was an anomaly, it is not. We have programs that have been around that long, authorized and no action has been taken. We need to start categorizing those, as whether they are legitimately active project or an inactive project. That is the first step for any one of us to start being able to make a rational decision on how to prioritize things.

Mr. CASE. Do you have the authority to do that? Is that a matter of just asking a State organization is this active or inactive and I assume you have the authority to do that.

Mr. KNIGHT. I have the authority to do that much at this time and intend to move forward with that.

Mr. CASE. What is your timing on that?

Mr. KNIGHT. I believe we should be able to have that done this year.

Mr. CASE. You are going to do that nationally?

Mr. KNIGHT. Yes.

Mr. CASE. With all 500-plus projects?

Mr. KNIGHT. Yes.

Mr. CASE. So you are going to weed out the inactives and then you are left with some universe of actives in some way, shape or form?

Mr. KNIGHT. I will have a list that gives me the actives and the inactives and then we will start looking at is there a process for weeding out the inactives or a way for folks to look at whether or not they should be on an active list.

Mr. CASE. Are you saying that you don't have the statutory authority right now to allow I think what you are describing as a lump sum kind of a situation and we have got X amount of money and you guys decide at the State level which way you want this to go. You can activate something that is inactive, and deactivate something that is active and still around in some way, shape, or form. Is that not something you can do right now?

Mr. KNIGHT. We work with the partners on this, and so the first level for us is to really determine, working with our cooperators and our partners, are they still interested in this project and still interested in that moving forward? I wouldn't be about calling something inactive, if the partnership was still there and still wanting to move forward. But as we know, a lot of changes have occurred across the country over the last two decades. The rural/urban interface is so dramatically different in many areas, that you really have to look at, is that still a viable project? And that is what we want to do with this first level of assessment.

Mr. CASE. Now I am out of time myself, but as I go back to my State and report on the initiative that you are going to go with, in terms of trying to create a better sense of priorities, which I agree with, what kind of duck should they be getting? An order I guess. That is the way to look at it. How should they be prioritizing it, from your perspective? What are the ingredients to be focused on?

Mr. KNIGHT. We have got to look at: Is the partnership alive? Is the need alive? Can the need be addressed with other technologies and capabilities? We have duplication between the programs. It may not work as well on the islands of Hawaii as it may in where I farm in South Dakota, but we have some programs where the right mix of conservation, tillage, and activities in the watershed can dramatically change the need for some of these watersheds.

Mr. CASE. OK, thank you.

Mr. LUCAS. The gentleman's time has expired. The chair now turns to the gentleman from Iowa.

Mr. KING. Thank you, Mr. Chairman. I appreciate this hearing and, Chief Knight, I appreciate your testimony.

I listen to our discussions that we are having here and I look back at what years I have involved in, excuse me, watershed projects and P.L. 566's in particular. It occurs to me that I have built a lot of those projects before I actually knew what they were from a statutory perspective. And during those years, when I was just learning to shave and we were building those P.L. 566 dams, I really had a vision that one day we, at least in the rural part of the country, we would have all the structures built that would allow us to let almost every rural drop of rainfall go through some permanent practical structure, whether it be a terrace, a waterway, or a watershed dam. And particularly, P.L. 566's were a huge component of that vision and we still work on that today. It does, and I have been a strong supporter throughout all those years, it does concern me when we talk about the backlogs that are part of this. I know it concerns all of us here. And yet, as the backlogs are being addressed and that statistic of going down to one in three is helpful to see that progress, I see that there are also requests for new projects that are piling up pretty quickly. And in my particular State, I can probably name you at least six large proposals, and that is a growing number. It may well be 10. It could be more than that at this point. In fact, it seems as though, in our rural counties, that that is one of the tools that seems to be on the first part of the list of the things they want to do for economic development, build a large reservoir. I better not say large, from the perspective of the national scale, but a large dam that might be—that have acres and acres of storage in the hundreds of acres of surface area

water. And sometimes the question is, well, is this for flood control? Is it for economic development? Is it for recreation? Is it to enhance residential development, rural development, et cetera? And yes, it is for all of those things. And so I am interested in what we might be able to do to continue going down that path. But the economic development incentive that is in place there, and the vision that is there in each of those counties, seems to be consistent that they want a place to fish, a place to view on the water, they want to do flood control, but the business model seems to be a little bit lacking. And I am going to ask you a question here that may be a little bit out of school, and I will give you plenty of room to just slide away, Chief, if you choose to do that. But I know we have had this discussion, and so you are somewhat prepped, and that is that the business model that I would see is, I would want to ask your thoughts, if we would bring a kind of a proposal for P.L. 566 that for new projects might give a priority to the best business models, those kind of models that would actually return on the investment, that instead of having model that says yes, this will work under these conditions, we would have one that would say here it is.

If we do it under this model, it will return this many property tax dollars. It will leave a place here for some actual retail, and it is going to return back into the tax rolls the lost revenue that comes from the property that is taken off the tax rolls, but a business model that actually is economic development than just a recreational structure to look at. So it has flood control, all the things we get with P.L. 566 and actually adds, and gives people a reason. And if we do that, can we do it in a way, you think, that we can get people living down near the waterline?

Mr. KNIGHT. We had been working on a concept of how to put market-based incentives into conservation in looking for that right approach on many of our programs. In the Environmental Quality Incentives Program, I use that in giving those States that are more efficient in delivery of EQIP additional dollars, approaching it from that business model aspect. As it pertains to the Watershed Program, we have an economic benefit cost ratio that is not as robust as what I would like to see, quite frankly, to do the business model approach that you are doing, to look at having that fit into the prioritization for the programs. If we were to have a program that had room for prioritization, I would be very willing to look at how to build a business model case into that work, one that puts in agriculture use for the water, municipal use for the water, recreational uses, to more robustly evaluate how to prioritize these programs.

Mr. KING. And, Chief, would it be your judgment that you have the discretion to do that now or do you need a statutory change that might help facilitate that?

Mr. KNIGHT. I would have to get back to you on whether we have got sufficient latitude or we would need a statutory adjustment.

Mr. KING. I would be interested in that and I would be very happy to work with you on that. I think we will get a lot better return on our tax dollars if we can go to a business model on these projects. Thank you very much, Chief. I appreciate it. Mr. Chairman, I yield back.

Mr. KNIGHT. Thank you.

Mr. LUCAS. The gentleman yields back. The chair now turns to the gentle lady from South Dakota for her questions.

Ms. HERSETH. Thank you, Mr. Chairman, for having this important hearing. And thank you, Chief Knight, for your service at the NRCS and your association work as well as your service to the State of South Dakota and our fellow constituents there.

Mr. KNIGHT. Thank you.

Ms. HERSETH. I want to just follow up with one brief question, tagged onto Ranking Member Holden's question about EQIP, because you have talked in your testimony about some duplication here and how you are trying to address the backlog with some of the projects, and working with the local sponsors to see whether program monies might be available. And you had mentioned that we have seen from a couple of years ago when you came on board in your current position, where you accepted one out of eight contracts or applications to one out of every three now, but given the budget reconciliation bill that passed the House a few weeks ago, we are seeing billions of dollars cut from agriculture programs, including many conservation programs, the Conservation Security Program, decrease the number of acres for the Conservation Reserve Program, and for EQIP. So do you have a concern, as you continue to work on the backlog here and looking at other projects, that we could very well, within the next year or two, if the reconciliation bill is ultimately enacted, see a trend the other way, from one out of every three to one out of every five to one out of every eight, and what impact is that going to have on the programs that you administer, watershed or otherwise? And we both know the importance of the EQIP Program, in particular, to our ranchers and feeders and South Dakota and to the local communities.

Mr. KNIGHT. One of the real challenges as we go through, as you are all quite aware, as we go through the reconciliation process, is by nature the handcuffs that you all have as you are making decisions on that, administrative savings, changes and reforms to the programs, you are not able to tally up as a means of providing direction to folks such as myself in how to administer the programs. So that leaves you with a very difficult choice as it pertains to adjustments on larger programs. The decisions that face folks administering these programs, I quite honestly have regretted, but yet I also recognize the larger nature of the deficit and the need to live within those and make those adjustments so we can administer those programs within the parameters that you all make as you move forward on reconciliation.

Ms. HERSETH. But it is possible, given your experience of a few ago and where we are, not only with EQIP in particular, but that you may find some restrictions on your flexibility there, given funding levels going forward, if it is enacted, in trying to avoid the duplication, but basically a narrowing of the choices or options available to the local project sponsors.

Mr. KNIGHT. The conservation programs, following the 2002 farm bill, had nearly an 80 percent increase in overall funding. And so we have gone through a period of fairly rapid growth, and are really focused now at making sure that we continue to administer the 2002 farm bill. In that context, after several years of rapid growth, the generosity of both Congress and the administration towards

conservation, we have got a very full plate before us, and the adjustments that we are seeing in reconciliation will not impede the ability to continue to make major progress on the conservation portfolio for the next several years.

Ms. HERSETH. Well, thank you. I appreciate your responses and certainly your work in advancing the rapid assessments for these projects. So I yield back the balance of my time, Mr. Chairman.

Mr. LUCAS. Thank you. The chair now turns to the gentleman from Kansas.

Mr. MORAN. Mr. Chairman, thank you very much. Chief Knight, thank you for joining us. Thank you for, several years ago, allowing our paths to cross in Kansas. Thank you very much for your interest in Kansas conservation issues.

In your comments to the gentlewoman from South Dakota, administering the 2002 farm bill, do you have any thoughts at this point in time as to what we ought to be looking at in the 2007 farm bill? Any particular broad guidelines, perhaps, that we ought to be thinking about, from your perspective?

Mr. KNIGHT. Secretary Johanns has just recently wrapped up the farm bill listening sessions, some 40 of those. Many of you had opportunities to participate in those. We are evaluating those sessions, and from that we will then be able to move forward as an administration on next steps for the farm bill.

Mr. MORAN. I take that as an answer, as not at this time. Chief Knight, one of the issues at home in Kansas, brought to my attention by the State Association of Kansas Watersheds, is an effort that they clearly recognize that P.L. 566 Program it is the backbone of what we do in flood control. But the question that they have raised is, what kind of opportunities do landowners, farmers, have in regards to controlling waters, flood control, absent the dam structures? Easements. Other kind of nontraditional flood control efforts. And the point they raise is, it is hard to get a farmer whose, perhaps, most productive land would be affected by that easement, to participate in that program. Is there some effort or theory that we could operate under, in regard to a working lands program, in regard to flood control?

Mr. KNIGHT. I believe that may be a topic that we should explore further. How do we utilize those easements and the full range of working lands tools that we have? In the Watershed Rehabilitation Program, we are now looking at a need to make very large investments in watershed structures, because we hadn't had the right easement, perhaps, or the right management downstream from that structure over the last 20 years. And so I believe, in the future, we need to look both upstream and downstream from the structure and look at the total range of conservation tools, perhaps including easements, for addressing the long-term viability of those structures and their functions.

Mr. MORAN. But perhaps at the time I had two questions together, Chief. I do think that the next farm bill will be once again very oriented toward conservation programs, but it does seem important to me that as we develop those programs, that they be oriented in a way that allows a farmer to continue to earn a living farming, as compared to setting aside land, and emphasize just how important it is for farmers to continue to practice farming to

try to earn a living in that profession. And so I look forward to working with you and NRCS and others at the time.

Mr. KNIGHT. Thank you. And I share your enthusiasm for the working lands component. So the 2002 farm bill, I think we will look back at that as perhaps the hallmark of the conservation provisions of the 2002 farm bill.

Mr. LUCAS. Chief, the subcommittee appreciates your time, your insights and your responses to our questions, and we would serve note that we will probably be sending a few more written questions for you to follow up on. And I would like to personally note that soon I will make my annual trip down to visit one of our mutual friends at OMB, as I work, along with my colleagues, hard to make sure you have the resources you need to implement all of the many responsibilities that you have. It, once again, no doubt will be another challenging budget year, but remember, you have got to push while we pull. Thank you, Chief.

Mr. KNIGHT. Thank you very much, sir.

Mr. LUCAS. And with that, we would like to invite our next list of witnesses to the table. And as they are getting prepared, I would like to note that one of my fellow Oklahomans is on our panel today, Mr. Bill Wilson, president of the National Association of Conservation Districts. We also have Mr. Mike Sykes, chairman of the National Watershed Coalition, from Romney, West Virginia. And, Ed, I believe Mr. Holden will introduce you in a moment. And also Mr. Bruce E. Albright, administrator, Buffalo-Red River Watershed District, Barnesville, Minnesota. You may proceed when you are ready, Mr. Wilson.

STATEMENT OF BILL WILSON, PRESIDENT, NATIONAL ASSOCIATION OF CONSERVATION DISTRICTS

Mr. WILSON. Thank you, Mr. Chairman and Mr. Holden. And I am going to go back home, Mr. Chairman, and tell the folks that your subcommittee hearing, you had the chairman of the full committee and the ranking member of the full committee here, and I appreciate both of you guys being here. So thank you very much, and I appreciate all the members in the subcommittee being here. Thank you. As you said, I am here representing the 3,000 conservation districts across this country and almost all the watershed projects under the P.L. 566 and P.L. 534 and the pilot projects, are sponsored by, at the local level, conservation districts. So my members are excited about having us invited here to testify and we thank you for that, Mr. Chairman.

Certainly there are several challenges in this program that we see from the local sponsor position, so I will just address a few of those. And you have my written testimony, and if you would include that in the record, I would appreciate it. We hear some critics about duplication of programs, and we have heard that discussion here to some extent today. And we certainly don't think that we should duplicate the same efforts or to the same work on the same acres, if you will, from the different programs. But can we figure out a way to integrate these programs to address these needs on a comprehensive basis? We don't think that would be duplication. We think that would be synergy. And I guess I would refer to what the chief mentioned, is the Watershed Rapid Assessment that the

agency is just now rolling out. And if the result of this is a way to do that, to prevent duplication, but to integrate these programs, then we applaud that. If this document is no more than a paper exercise to delay implementation and results in this program, then we would caution that we ought to look at that as well.

Let us talk about where we see the real problem in this program, and that is the funding and the backlog and the earmarking. This program has been around a long time. It has gotten a lot good conservation work on the ground. It is not all just flood control and never has been. It has always been a watershed basis, comprehensive planning tool and implementation tool to get conservation work done on the ground, and still is. It still has those authorities. Where we see the problem is, for whatever reason, the funding has dropped to a level that does not respond to the needs and requests of the local sponsors, and thus it has driven, I think, Members of Congress toward the earmarking situation. It has driven our local sponsors to go to their member of Congress and say, we need the funding for our project, and so that is where the earmarks come from.

I would caution, though, that even though those projects are being earmarked for the funding, that they still represent good conservation work out there on the land. They are still being implemented according to the technical guide and the technical expertise of the agency. So there isn't anything wrong with the work being done. The only issue in my mind is the priority on whose job or whose project gets done and whose doesn't. So I would certainly insert that the fact that these projects are earmarked, doesn't mean they are not good work. And I would say as I say to members and people as I travel across this country representing my members, that the American people, the American taxpayer, gets good value for the dollars they spend on conservation. And that is true even though some of these programs may be earmarked for reasons beyond perhaps the local sponsor's control. So I would just insert that.

I would close by saying that in the Watershed Rehab Program, we have an opportunity, I think, to be able to maintain the cadre of staff and the disciplines that the agency needs to actually implement and design and plan all these programs. So I would encourage all of us to encourage the agency to maintain that level of staffing as high as it can be, because those same disciplines can work either in the Base Program or in the Rehab Program. And with that, Mr. Chairman, I thank you. I am going to end my testimony there and would be happy to respond to any questions.

[The prepared statement of Mr. Wilson appears at the conclusion of the hearing.]

Mr. LUCAS. Thank you, Bill. Mr. Sykes, whenever you are ready.

STATEMENT OF MICHAEL L. SYKES, CHAIRMAN, NATIONAL WATERSHED COALITION

Mr. SYKES. Thank you, Mr. Chairman and members of the subcommittee. I am Michael Sykes, chairman of the National Watershed Coalition, and it is a privilege for me to present this testimony. And we thank the chairman for holding this hearing to review the U.S. Department of Agriculture's Watershed Program.

My home State of West Virginia has been a leader in the program since its inception. I personally have seen and heard about the impacts of these projects that have had impacts on many peoples lives in West Virginia. As NWC chairman, I also have the opportunity to talk to many watershed sponsors and to visit watershed projects across the Nation. I have seen the many benefits of the projects in many States, and I do know the challenges.

The USDA Watershed Program is a proven and successful program. The program is a true partnership between the local communities, State and Federal Government. Watershed projects are planned and implemented by the local people who serve as project sponsors and also have the responsibility of the operation and maintenance after the construction is done with assistance from USDA/NRCS. The National Watershed Coalition is extremely concerned about the continuing decline in funding for the USDA program. We urge you to examine the administration's budget proposals for the Watershed Program as compared to the actual appropriation for the program by Congress. While Congress has appropriated above the administration's requested levels, appropriations have not kept pace with the documented needs.

I must preface my comments by saying that we do not begrudge any watershed sponsor funding for their planned and approved project, be it earmarked or otherwise. However, we believe that the earmark culture is out of control within the program. In recent budgets, the aggregate of the individual earmarks has exceeded the appropriations by 20 to 30 percent. Earmarks carry a negative connotation to the public, and they have become the rule rather than the exception for project funding. Earmarking in excess of 100 percent of appropriations is also systematic of administrative and a philosophical disconnect. The fallout from this disconnect makes it extremely difficult for the heart and soul of the program, which is the local watershed sponsor, to function. It disrupts their ability to plan, budget, and secure and obligate funds. We do not naively believe earmarks will go away. We strongly urge representatives of Congress to open a discussion with the administration, aimed at restoring order to the appropriation process as it relates to the USDA Watershed Program.

NRCS Chief Bruce Knight, recently issued a challenge to our coalition members to assist in reshaping the Watershed Program for the coming 50 years. Key to this revitalization coming to pass is the recognition of the economic and environmental value of the program. Adjustments are needed to address these changing issues and improve the effectiveness and efficiency of the Watershed Program. These adjustments will help to maintain the credibility of the program, while recognizing the reality of today's Federal, State and local situations.

As sponsors consider the future of the programs, they face several major issues. There are 457 watershed dams that are already exceeding their designed life, and that number will grow to 4,410 within the next 10 years. Some dams no longer meet current dam safety criteria and standards. Elements, such as the metal and the concrete for the principal spillway, in some dams have deteriorated over time and need replacement. By 2005, 134 rehabilitation projects have been funded in 21 States, and that is great. Rehabili-

tation of USDA/NRCS-assisted dams is not only ensuring that dams remain safe and continue to provide multiple benefits to communities, but also extend the dams life for another 100 years. The need for rehabilitation is increasing and will not go away. Current funding authorization expires in 2007. The primary challenge for the future is obligating adequate funding. There is a major concern of the coalition. The coalition recommends that funding be authorized at least at the 2007 funding level. We also suggest that methods be explored to fund rehabilitation of low-hazard dams that do not necessarily protect human life but are critical to the protection of the downstream flood plain that is important to the communities' economic base. In addition, the Federal cost share should be raised, and lowered to the sponsors, because that is a hardship for them on rehabilitation projects.

In closing, we see an excellent program that is not reaching its potential, as it suffers financially and administratively. Subsequently, we see an agency which has had the most knowledgeable watershed technicians, many of them my friends and co-workers, engineers, planners in the world, downsizing their workforce, limiting the ability to provide support to the local watershed project sponsors, sponsors that, based on a partnership, have a legal long-term commitment to a substantial investment, sponsors who need support to address their responsibilities for aging projects. We see a program that has the flexibility to meet many resource needs, which needs, by ability, restored. We believe there are opportunities at hand to increase the viability of the Watershed Program and to improve Federal support for the watershed project sponsors to meet their current and future commitments. We very much appreciate the subcommittee's invitation to bring our views, concerns, and suggestions about the Watershed Program to this hearing. I will try to answer any questions, Mr. Chairman, that I could at this time.

[The prepared statement of Mr. Sykes appears at the conclusion of the hearing.]

Mr. LUCAS. Thank you, Mr. Sykes. Now the chair would like to turn to the ranking member, Mr. Holden, for the next introduction.

Mr. HOLDEN. Thank you, Mr. Chairman. It is my pleasure to introduce my constituent, Mr. Ed Wytovich, who is the president of Eastern Pennsylvania Coalition for Mine Reclamation. Mr. Chairman, Ed has a 30-year history of working on watershed restoration, primarily with acid mine drainage, which is a serious problem in Pennsylvania and West Virginia. So thank you, Mr. Chairman.

Mr. LUCAS. You may proceed, Mr. Wytovich.

STATEMENT OF ED WYTOVICH, PRESIDENT, EASTERN PENNSYLVANIA COALITION FOR MINE RECLAMATION

Mr. WYTOVICH. Thank you. Good afternoon, Mr. Chairman and members of the committee. I am pleased to be here and honored to testify on behalf of watershed restoration efforts in Pennsylvania, and also on behalf of all the volunteers that I represent. See, I too am a volunteer. I am an eighth grade science teacher at Upper Dauphin High School, or Middle School in Dauphin County, Pennsylvania. I have been actively involved in land and water restoration projects in the anthracite region of the northeast Pennsyl-

vania for over 30 years. I consider myself an active environmentalist. I work with several conservation groups, industry representatives, elected officials, and students to help found 10 watershed organizations in the Commonwealth. I am also the charter member and president of the Eastern Pennsylvania Coalition for Abandoned Mine Reclamation.

Work we have been able to accomplish is proof that building partnerships is essential to any winning watershed strategy. The U.S. Department of Agriculture Natural Resources Conservation Service, the Resource Conservation Development Councils and the conservation districts are all vital components of our team. In 1996 representatives of the conservation districts in eastern Pennsylvania, in the Pocono Northeast Resource Conservation District led the way for the formation of the Eastern Pennsylvania Coalition for Abandoned Mine Reclamation. We formed the coalition to identify how districts and local cooperating organizations could promote and contribute to local, State and Federal mine reclamation efforts in the anthracite region.

Our mission is to encourage redevelopment of mines and water, serve as a liaison between public and private sectors and conduct outreach and education on these important issues. Today, EPCAMR has grown to include three full-time employees and is funded through an EPA 319 grant. Our membership is comprised from appointees from the conservation districts in a 14 county area, watershed associations and industry representatives. EPCAMR is supportive of reestablishing and funding the Rural Abandoned Mine Program, RAMP, which has been financed by the Abandoned Mine Fund and administered by the USDA and RCS. RAMP is authorized for the purpose of reclaiming the soil and water resources of rural lands adversely impacted by past coal mining practices, however, the program has not been funded since 1997 and USDA has not dedicated staff to it since fiscal year 2003.

This program worked through local communities, conservation districts and other agencies to solve and address many abandoned mine land problems. NRCS provided most of the technical assistance, natural resource planning, design and construction of reclamation projects. In 1996 I helped form the Catawissa Creek Restoration Association; I am the current president. I like to use the Catawissa as an example of how the USDA involvement aided a watershed towards recovery. Very little mining actually took place in the Catawissa Watershed, but it was a convenient place to drill five mine drainage tunnels which then drained the Anthracite mines of the outlying areas. These tunnels were dug to drain by gravity the coal fields in the headwaters of the Catawissa, especially in the Hazleton area. Although underground mining in this area ceased many years ago, these tunnels still discharge millions of gallons of acid mine drainage daily into the Catawissa Creek and its tributaries, rendering it virtually lifeless throughout most of its 42-mile length.

With the help of the NRCS engineers, we devised a plan in which manure storage tanks could be used for future projects that will enable us to reduce the footprint of the projects. We calculated what would be necessary to treat the Audenreid Mine Tunnel Discharge, the largest abandoned mine drainage discharge in the watershed

located near the headwaters of the Catawissa Creek. It is probably the second largest IMD discharge in the Anthracite region.

In a cooperative venture between the PA, Pennsylvania Conservation Districts and NRCS, a conceptual design was put forth. The Schuylkill Conservation District, in partnership with Catawissa Creek Restoration Association applied for a grant through the PA Growing Greener program to design and build a passive treatment system for the Audenreid Discharge. This is perhaps the largest passive treatment system in terms of amount of water to be treated ever built. The system was scheduled to come on line this past Friday, December 2 and actually, it is coming on line as I now speak. When completed, the Audenreid discharge treatment system will effectively restore water quality for 36 miles of now impaired stream and make it into what we believe will be a world class trout stream.

The Pennsylvania Fish and Boat Commission estimate that this project will have a benefit cost ratio of two to one due to increased recreational fishing opportunities. This does not take into consideration the added benefits of increased property values along the stream corridor, opportunities for other recreational pursuits, such as birding, camping and guide services. The members of the Catawissa Creek Restoration Association who have been a part of this restoration since the beginning feel a greater sense of stewardship towards their watershed. Through participation and reclamation efforts, we develop ownership and from that ownership we develop stewardship. This could not have happened if it were not for the partnerships that have been developed and nurtured by the conservation districts, EPCAMR, Catawissa Creek Restoration Association, the NRCS, the Pocono Northeast RC&D, the Pennsylvania Department of Environmental Protection, the EPA, land owners and many others have come together to restore the Catawissa.

Pennsylvania's watershed groups can point to several successes, but there is much work left to be done. We believe our efforts to bring all parties to the table may be stifled due to the elimination of important programs such as RAMP, the lack of Federal funding for RC&Ds and staff. It is my hope that I have shed light on a small but equally important program and continue to work together to address our watershed concerns. Thank you.

[The prepared statement of Mr. Wytovich appears at the conclusion of the hearing.]

Mr. LUCAS. Thank you, Ed. Mr. Albright.

STATEMENT OF BRUCE E. ALBRIGHT, ADMINISTRATOR, BUFFALO-RED RIVER WATERSHED DISTRICT

Mr. ALBRIGHT. Good afternoon, Mr. Chairman and members of the committee. I am the administrator for the Buffalo-Red River Watershed District located in Barnesville, Minnesota. Our district covers 1,380 square miles in parts of four counties in northwestern Minnesota and I have served as their administrator since 1980. I thank you for today's invitation to testify.

We were formed in 1976 as a political subdivision of the State of Minnesota and to date have developed 60 projects to address water quality and quantity issues. We are similar to other areas

in the Red River Valley, located in Minnesota, North Dakota, South Dakota and Canada. We work with a variety of agencies to address flood damage reduction and natural resource enhancement. Many times we need your help to solve these problems. What happens on a watershed basis has local, regional and sometimes international impact. Minnesota has a unique distinction of being the headwaters of three major watershed systems. This distinction also entails the obligation to manage these waters responsibly. This obligation cannot be borne solely by Minnesota, but should be shared through partnerships with landowners, Government and USDA watershed programs.

NRCS has been a partner in conservation since 1935. The work of local watersheds can be greatly enhanced through partnering with them. With watershed planning and in particular, P.L. 566, USDA has embarked on a major effort called locally led conservation. Local people, generally, with the leadership of a conservation district or in our particular case, a watershed district, along with NRCS technical assistance, can assess natural resource conditions and needs, set goals, identify ways to solve resource problems and utilize a broad array of programs to implement solutions and measure their success.

The desire for assistance is clearly expressed through the growth of a nationwide watershed movement. Landowners have long sought USDA expertise. We continue to seek the best available science and planning skills to assess natural resource problems. Limited funding at local, State and Federal levels highlight the importance of continuing those programs that provide the most benefit to society in general. Watershed programs, as administered by the USDA are proven methods to protect, enhance or restore our vital natural resources, which are critical to our very survival.

In my written testimony, I have detailed several Minnesota projects that are currently being developed using watershed programs. USDA has a long history of successful projects in Minnesota. For those projects underway or completed, we thank you. For those that have been terminated or currently unfunded, we need your future involvement. The USDA has many good programs to protect our resources, but many times protection is not enough to address problems that have developed over a long period of time. We first need watershed programs to analyze, plan and restore our resources. Federal water quality mandates and lack of resources to complete studies continue to put urban and rural communities at great economic risk.

In the 1950's, we had several P.L. 566 projects where planning was terminated due to lack of funding. The problems identified at that time have not gone away. One particular project, Comstock Coulee, has a drainage area of 105 square miles with 95 percent of this area private, cultivated land. The Coulee is a direct tributary to the Red River of the North, where agencies have identified impaired reaches for turbidity, low oxygen and fecal coliform. The downstream cities of Fargo, North Dakota, and Moorhead, Minnesota have intakes for their water supply downstream of the Coulee outlet. These communities rely on the Red River to furnish good water to a growing population.

Landowners recognize the need to address these problems at a watershed level. In 2005 we held two meetings to discuss the same concerns that were raised over 40 years ago. Many of the family names are the same; we are just dealing with the next generation. By working together, we can address the types of problems identified for Comstock Coulee, as well as other areas within our particular district, the State of Minnesota and our Nation. Landowners are ready, willing and able to participate in a solution to these problems, but we need your assistance. Their role will be to provide the long-term stewardship needed to protect our valuable resources and your role will be to fund programs that restore and enhance these resources for this and future generations. Thank you.

[The prepared statement of Mr. Albright appears at the conclusion of the hearing.]

Mr. LUCAS. Thank you, Bruce. I appreciate your comments. First, we would like to note that Mr. Wilson is exactly right. I think Mr. Holden and I are very pleased to have both the chairman and the ranking member of the committee here with us today. That says something about the focus of this body on these issues and we are very appreciative of their attendance. And I also think it is worth noting, too, that we have come a long ways, gentlemen, in spite of the agony that the earmarking process has brought on, some might say the corruption of a very wonderful concept dating back to the 1940's, conceptually back to the 1930's, even. But there is not a problem that can't be overcome.

You are all living examples, with the effort of, on your part, and with this subcommittee and full committee to create the rehabilitation program and to come to a common agreement on a formula to allocate that money that has worked amazingly well. Now, we might all disagree on how many dollars should have been available in the last 4 years, but the formula has worked amazingly well and various people, a tendency more, perhaps, on the other side of this Government complex than this side, have shown some restraint in rehab that they have not in the new projects. I think that is one of the things that we have to focus on, personally, not just my annual trip down to the OMB director to remind him that these programs exist and that they are important to the future of the country and popular across the countryside, but also an acknowledgement that as we work towards the 2007 farm bill, just as we came together to address and create an answer to the rehab program, that we need to look at these other issues, too, in anticipation of 2007.

I guess I have a direct question I would like to ask and whoever on the panel would care to answer that, when it comes to the workload that is presently being handled in rehab, what percentage of that is done by Federal staff and what percentage is done by State or local conservation entities? Just a rough guesstimate, guys, and I know from region to region, State to State, that that number will vary.

Mr. WILSON. Mr. Chairman, I don't know exactly what those percentages are. The program-wide project, it is pretty difficult to, when you look at the dollars that are spent at the local and the State portion of that is much greater than the Federal contribution, although the law requires that 100 percent of the construction be

federally funded, that is just for the flood damage reduction portion. If a city or a community is going to add a few feet for water storage, they have to pay for that totally themselves, and then the land rights and a lot of the design work is paid for by the local or State government, so I don't know the staff question, I don't have a good answer for that, but the projects, themselves, are certainly cost shared and always have been and in most cases, many cases these days, there is a bigger portion of that comes from the State or local, a lot of that being land rights, as we understand the value of land is going up. Maybe one of the other panel members has a better number on the percentage of staff.

Mr. SYKES. Mr. Chairman, I don't have an actual percentage for you, but I can tell you that in West Virginia the NRCS employees work back with the local sponsors. They work back through the State Government and we sit down and analyze each and every—we pretty well work as a unit, as a team. I would say that most of the planning, the actual technical work, the planning work, the design work, those kind of things are done by NRCS, but the local folks have input into which structure gets the rehab. They also have input because they have to do their O and M work in order for it to qualify for rehab, so it is a partnership and it works very well. Very pleased with that.

Mr. LUCAS. One last question and we will turn to my colleagues for their observations. Of course, in particular, in the rehab program, in the 2002 farm bill, we authorized hope that $600 million would be spent over that period on rehabilitation and I think, probably, if you throw in this year's $31 million that has been signed into law by the president, it probably brings us in, approximately $30 million number on what has been spent. Looking at what you see across the country from your perspectives, is it fair to say that if that $600 million had been available or would be available by the end of this farm bill, which is just a few days away, so to speak, that it would have been all fully utilized, Bill?

Mr. WILSON. Absolutely. No question about it. I talked to a district manager from North Carolina last evening. He told me that they are one of the pilot watersheds. They have 11 structures in their district; it is a county. And seven of those structures are needing fairly major repair, primarily, it is in principal spillway leakage. Three of those they have been able to fund with local funds and sleeve those and help solve the problem. They still have four that are real urgent and as of today, he has not been able to get any money through the rehab program to assist him; it has all been locally funded, but they don't have enough money to do those other four now and they need to be done before failure happens, so those are some of the issues, that the need is out there. There is no question in my mind that the number that we worked on, you and I and all of us together, was a real number that really just started to address the problem, but it would have been utilized, no doubt in my mind.

Mr. LUCAS. Fair enough. Thank you, Bill. Mr. Holden.

Mr. HOLDEN. Thank you, Mr. Chairman. I thank the panel for their testimony. The message I think that we received from all of you is that you are our local partner and you have been doing a wonderful job, but you cannot continue to make the progress that

you have been able to make if the Federal Government does not step up to the plate, whether that be in the 566 Program or in the RAMP Program. And that is not in the form of a question because I know what your answer will be and we will continue to work on that.

Mr. Wilson, I guess you would be the person I would want to ask this question to, and if anyone else wants to chime in from the panel, I would be glad to let them do that. As we get prepared to do the 2007 farm bill and we look at Watershed Programs and USDA, the different functions of USDA, several of them have the watershed components, and we all believe that it is better to have more money and fewer programs and to consolidate them than less money in more programs. I was just wondering if you had any specific recommendations as we get ready for the 2007 farm bill before we consolidate.

Mr. WILSON. Well, Mr. Holden, as you know, and I know that all of us know, the watershed, the base program we call it, P.L. 534 and 566, is not a farm bill program. It is a discretionary program. It has its own legislation. So I think it is worth noting that. But certainly the other farm bill program, and the chief talked about that a little bit, is the EQIP Program and some of those other land treatment programs that are available for us to utilize are certainly very important. Our argument is, from my members' standpoint, is that we should maintain those programs, but we should make sure that they are integrated so that they work together to compliment each other.

And so the opportunity, I guess, from a local sponsor's standpoint, when you really get down to it, it just like a farmer walks into a field office and it is a conservation district and field office co-located. We don't really care which staff, whether it is local funded or State funded or Federal funded staff, helps us as long as we get the answers we need or the assistance we need, and that is kind of the way we see these programs. We think that we could put these programs together, create synergy around the Watershed Program on a watershed basis. And certainly the watershed, the P.L. 566 and 534, the unique thing about those programs is, they do provide flood damage reduction, or some people call it flood protection, and the other programs don't do that. So there is certainly a way to integrate these programs within a watershed and take advantage of all the programs and so that they compliment each other.

Mr. HOLDEN. All right. Thank you, Mr. Wilson.

Mr. Wytovich, we have primarily, so far in this panel, have been talking about the 566 projects, but I wonder if you could expand on your testimony about the scope of the problem we face with abandoned mining reclamation problems, acid mine drainage. And what you have been able to accomplish has been great, but without the help of the Federal Government you could not have done that, and also how important it is in the future with the RAMP Program needing to be funded and what you will be able to accomplish in the watershed, not only of the Chesapeake, but the Delaware Bay.

Mr. WYTOVICH. OK. The NRCS and the RC and Ds have been a major help to us. The Eastern Pennsylvania Coalition was formed really at the behest of the Pocono and Northeast RC and D with

the help of Pennsylvania Department of Environmental Protection in the conservation districts. With that we were able to go out and help to form watershed associations to help identify local problems. This, in turn, we go back to our watershed specialists at our conservation districts. One thing that is important to note here, I think, is that watersheds don't know where geopolitical boundaries are, and so we have had great cooperation between conservation districts and adjoining counties and municipalities in Pennsylvania, and it has helped to build this web or partners that we have.

The RAMP is, was a great program. I would love to see it reinstated. It helped us with our Oneida No. 1 project, which, in that particular project, it laid down the foundations and demonstrated the usefulness of the technology that we used for the Audenreid project that I spoke about. It was at the dedication ceremony for that Audenreid project, at the Oneida project, when I spoke to the engineer from NRCS, he said, if I had to do it over again, he said, I would use manure storage tanks for this, a unique way of applying a different technology. We went ahead and calculated what we would need and was able to put down the cost to treat the Audenreid project, one that most people thought was undoable up to that point in time, to the point where an engineer called me yesterday and said that she thought this was the most cost-effective AMD project she has ever seen anywhere. For $2.2 million, we are going to treat 36 miles of stream and have a benefit cost ratio of 2 to 1. That is just incredible. So all of these programs help us to identify the problems and then to treat them.

Mr. HOLDEN. Thank you. My time has expired.

Mr. LUCAS. The chair turns to the ranking member of the full committee, Mr. Peterson.

Mr. PETERSON. Thank you, Mr. Chairman. During his testimony, Chief Knight indicated that his agency has undertaken efforts to sweep or clean up, whatever he said, the list of pending 566 projects. What is your view of, from your side of the table, of what is going on with that. Do you think they are going to get cleaned up?

Mr. WILSON. OK, I will start. The backlog, a big question. I thought Chief Knight did a pretty good job of answering how to approach that. And the concern is, with my organization and all the local sponsors, is that these projects are really local projects. They are assisted by USDA, by the Federal Government, through these USDA programs, with financial and technical assistance. But in the end, they still belong to the local communities. They are their projects. In my particular watershed where I live, I can remember going to meetings when I was still just a kid with my dad, where there were USDA officials there, there were local people there, State and local leaders there, talking about the watershed project. And there were commitments made to those people. There was State money already spent on surveys. Land rights in many cases were already acquired.

And there has been a lot of local money. In other words, the local sponsors have done their share. All they lack is the Federal share to complete the project. And I thought the chief said it very well. He said partners. I would have said local sponsors, but it doesn't matter. I don't see any way that we can go through and unilater-

ally, at any level, zero out or eliminate any of these projects without contacting those local sponsors and living up to the commitments that were made whenever they were made. We are willing to work, and our members would work with NRCS, with State agencies, with whoever, and we would welcome the opportunity, as long as we are included in that discussion.

Mr. PETERSON. Other heads nodding. Does anybody else have anything?

Mr. ALBRIGHT. The Buffalo-Red River Watershed District would share and agree with Mr. Wilson's comments, and we would look forward to working with both local, State and Federal NRCS staff to review that long list of projects that are out there because, clearly, things have changed. Some of our projects are 30, 40 years old, and some of those projects have been resolved. They could sit down with the local partners in determining which of those projects should be eliminated and which ones may——

Mr. PETERSON. Do you think it is going to get cleaned up? Can you give a percentage estimate?

Mr. ALBRIGHT. I would like for it to be cleaned up. Certainly things have changed. There are some projects out there that haven't been visited in a number of years. The local sponsors, for whatever reason, may have changed. The land use may have changed. There are opportunities to clean projects off the table, and we are willing to work with NRCS to get that done. I don't have any idea of what the percentage would be. And I am not trying to dodge the question. I don't think we can know that until we go through the exercise.

Mr. PETERSON. Well, I know in my area there are projects on the list that maybe should have never been on there in the first place. And so you got all kinds of different situations. Mr. Albright, I think I understood, in your testimony, that you said that we should first look to the watershed programs, like P.L. 566, to address resource concerns, and then we should kind of look to EQIP and these other programs as kind of secondary. Can you explain to me maybe in more depth where you are coming from there? Why do you think the 566s are important?

Mr. ALBRIGHT. Well, in the one particular project that I cited in my oral testimony, the Comstock Coulee, 40 years ago the needs were identified to address soil erosion, wind erosion, a destabilizing channel. And as we look at that project again, we had two meetings just last year with landowners out there, those needs have not gone away, they have only gotten worse. The downstream end of that channel is cutting and needs grade stabilization. The upstream end of that particular watercourse is aggrading or is filled in with sediments so that it no longer has any carrying capacity, and new channels are being cut along the outside, which carry additional sediment downstream. And I feel that a lot of the programs that NRCS has are the tools to put the protection in place once a program like P.L. 566 can come in and address those initial concerns up front. And that is why I believe we need programs like P.L. 566, so that we can go in, do the work, and then we can apply other USDA programs to protect the resource.

Mr. LUCAS. Thank you. One quick explanation, Ed, for a flatlander from western Oklahoma. You referred to these shafts. Is

it shaft mining and they drilled into the side to let the water pressure off?

Mr. WYTOVICH. The shaft is vertical. The tunnels were dug in at water level so that they didn't have to pump, whether with electric or steam pumps, up the shaft. The water would go out by gravity. So it was an up-front expense. With long-term, it would cost a lot less money to just drain the water. But now, even though the mines are closed for 50 years, we still have the water.

Mr. LUCAS. Fair enough. Thank you for that concise explanation. And thank you, gentlemen, for your insights and your responses to the questions, and you are exactly right with the ranking member; any group that worked diligently to go through all the hoops to put their list on the project fairly and squarely. While there may be a few instances where areas are now suburban and the world has changed, the overwhelming majority of those good folks are still going to expect the obligations to be met. That is why I addressed my earlier comments about coming up with a better way to prioritize and to fund existing efforts.

With that, thank you for your participation today. Without objection, the record of today's hearing will remain open for 10 days to receive additional material and supplemental written responses from witnesses to any question posed by a member of the panel. This hearing of the Subcommittee on Conservation, Credit, Rural Development and Research is adjourned.

[Whereupon, the subcommittee was adjourned.]

[Material submitted for inclusion in the record follows:]

STATEMENT OF BRUCE E. ALBRIGHT

Good afternoon, Mr. Chairman and members of the committee. I am Bruce E. Albright, administrator for the Buffalo-Red River Watershed District, headquartered in Barnesville, Minnesota. Our District covers 1,380 square miles, located in parts of four counties in northwestern Minnesota. I've served as the District's Administrator since 1980. In 1995, I was the recipient of the U.S. Department of Agriculture Certificate of Merit for Outstanding Conservation Cooperation and Application Assistance from State Conservationist William Hunt. I hope my credentials demonstrate the types of relationships that can be developed between Watershed Districts and the USDA.

The Buffalo-Red River Watershed District was formed in 1976 as a political subdivision of the State of Minnesota to address flooding problems. Our District is the drainage authority for 69 legal drainage systems, totaling over 400 miles in length, and to date has developed 60 projects to address drainage, flooding, natural resource enhancement, and water quality concerns. Our District is similar to other areas in the Red River Valley, located in Minnesota, North Dakota, and Canada. Since 1993, our area has been in an extremely wet hydrologic cycle, and most of you probably have heard about our 1997 devastating spring flood. We work closely with agencies that make up our Mediation Project Team, including, but not limited to, the Natural Resource Conservation Service (NRCS), the United States Fish and Wildlife Service (USFWS), the Minnesota Department of Natural Resources (DNR), the Minnesota Board of Water and Soil Resources (BWSR), the Minnesota Pollution Control Agency (MPCA), The Nature Conservancy (TNC), local Soil and Water Conservation Districts (SWCD), and local landowners and interest groups to implement Watershed Programs made available by the USDA. Sometimes, these projects have international impacts. We are very appreciative of the opportunity to appear before you today.

WATERSHEDS DEFINED

The National Watershed Coalition has defined watersheds across the Nation as the "land that water flows across or under on its way to a stream, river, or lake." Our landscapes are made up of numerous interconnected basins, or watersheds.

Within each watershed, all water runs to the lowest point-a stream, river, or lake. Large watersheds, like the ones for the Mississippi River, Columbia River, and Red River of the North, are made up of many smaller watersheds that can cross several states. Watersheds come in various shapes and sizes, and have many different features. Everyone lives in and belongs to a watershed community. Natural resource activities, whether good or bad, can have an effect on the soil, water, air, plants, and animals in a watershed. Minnesota has the unique distinction of being the headwaters of three major watershed systems: the Mississippi River, the Great Lakes, and the Red-Rainy River. This distinction also entails the obligation to manage these waters responsibly, acknowledging downstream interests. This obligation cannot be borne solely by Minnesota, but is a responsibility that can be shared through a partnership with local governments, landowners, and the Federal Government, particularly USDA.

AGENCY COOPERATION

NRCS has been "a partner in conservation since 1935". That's seven decades of helping people help the land. The work of local watersheds can be greatly enhanced by forming partnerships with USDA, but we need your help to make Watershed Programs available. These partnerships extend beyond individual landowners to the state and local governments, as well as private organizations. In line with President Bush's Cooperative Conservation Initiative, we all look for opportunities to work with others to avoid duplication, leverage resources, and accomplish mutual environmental goals.

With Watershed Planning (PL–566), NRCS has embarked on a major effort, called "locally-led conservation", which is an extension of the agency's traditional assistance to individual farmers and ranchers for planning and installing conservation practices for soil erosion, water management, and other purposes. It means that local people, generally with the leadership of a conservation district, or in our particular case, a watershed district, along with NRCS technical assistance, will assess natural resource conditions and needs; set goals; identify ways to solve resource problems; and utilize a broad array of projects/programs to implement solutions; and measure their success.

The desire for assistance is clearly expressed through the growth of a nationwide "watershed movement." Local people want to protect and be stewards of their land and water resources. They recognize the need to work together to plan and implement solutions to their resource problems. People now understand that what they do on their land can affect others, and they need to "think globally and act locally", or as we like to say in Minnesota, "think globally, act watershed."

Farmers and ranchers have sought NRCS technology and planning expertise for the past 60 plus years. Watershed associations, conservation districts, irrigation districts, watershed improvement districts, and other groups will continue to seek the best available science and planning skills to assist them to assess their natural resource conditions and help identify local solutions to problems. USDA can assist in this regard through Watershed Programs.

The Buffalo-Red River Watershed District recognizes that we all need to use our tax dollars wisely. This fact makes the work of this Subcommittee very important. It also highlights the importance of continuing those Federal programs that provide the most benefit to society in general. Watershed Programs, as administered by the USDA and NRCS, are proven methods to protect, enhance, or restore our Nation's vital natural resources, which are critical to our very survival. The "watershed concept" offers a complete management approach to these issues. This approach not only provides cost effective solutions through PL–566, but by combining this effort with watershed planning, we can make more effective use of all programs by finding reasonable solutions to specific watershed level problems.NRCS Watershed Programs are more important now than ever for Minnesota and the other States in our Nation. The flooding and water quality issues today are watershed oriented and can only be addressed in a watershed context.

MINNESOTA STATE ISSUES

Minnesota currently has four active PL–566 projects, which include:

(1) The Snake River flood prevention project, which was authorized in 2000, and should be completed in 2006, will provide flood protection for the City of Warren and productive agricultural lands. The long-term economic benefits, both urban and rural, would not have been realized without the partnership afforded by the PL–566 program. Project sponsors include the city of Warren and the Middle River-Snake River Watershed District. The project area covers 166,400 acres. The total estimated project costs are $12,283,700.

(2) The Kanaranzi-Little Rock water quality project, authorized in 1988, has made limited progress due to an unfunded Federal commitment of $780,000. This area has an immediate need for $293,000 in financial and technical assistance to make real progress in addressing the water quality needs of this watershed. As the Environmental Protection Agency (EPA) continues to push for assessment and designation of impaired waters, local landowners are put at an increased risk of water quality degradation because of funding shortfalls. Landowners, state, and local governments are willing to hold up their end of the commitment. It's time for the Federal Government to accelerate funding to meet at least the immediate needs of this project.

(3) The Whitewater River water quality project was authorized in 1998. The unfunded Federal commitment is $1,127,400. This area has an immediate financial and technical assistance need of $750,000. Local landowners, with state and local governments are ready and willing to proceed. Realizing progress however requires increased financial and technical assistance to meet the USDA's commitments to this project. In the end, the losers are not only the landowners, but society in general, who are put at greater risk due to water quality impairments; diminished fish and wildlife resources, diminished public recreational resources, and local community water supplies that continue to be threatened as source water protection areas go unprotected. It will take full participation and commitment from all partners to fulfill commitments for this project.

(4) The Bear Creek water quality project, which covers 34,990 acres in southeast Minnesota and northeast Iowa, was authorized for planning in 1995, and approved for operations in 1998. The project has an unfunded commitment in Minnesota of $240,000 and an immediate need of $30,000.

Minnesota also has two PL–566 projects in the planning stage:

The Campbell/Rice Lake project focuses on assessing and developing plans to address water quality issues in the City of Detroit Lakes, located in Becker County. This plan addresses a complex problem of soil chemistry and phosphorous mineralization not solvable at the farm or individual level.

The Two River Watershed District-Spring Brook Township project focuses on agricultural flooding and stream restoration. This project will provide flood protection of cropland and also offers significant ecological restoration of a riparian area.Both of these planning projects are the outgrowths of the Red River Mediation process that has brought Federal, state, local government, landowners, and conservation groups together to solve problems. Balancing natural resource enhancements, flood prevention, and water quality improvement is a win-win situation for everyone. USDA Watershed Programs are unique tools to help address these types of issues and needs in both a small and large watershed context. Meeting Federal water quality mandates and reducing Federal expenditures in response to flood disasters, cannot be realized without a renewed commitment to USDA's Watershed Program funding. There is a great need for short-term funding to address the immediate needs of these projects and planning efforts; and for long-term funding to restore and revitalize the Federal financial and technical assistance commitment to the watershed model for water quality and quantity management.

Budget trends at the Federal level for the last three years for these types of programs are below what's needed, with significant reductions proposed for the future. In the Whitewater Watershed in southeastern Minnesota, they have six applicants who are waiting for funding to do projects such as rotational grazing and terraces; erosion control; grassed waterways, sediment basins; and grade stabilization structures. Likewise in the Kanaranzi Little-Rock watershed, they have twelve pending applications in need of $300,000 of Federal cost sharing. If there is this kind of interest for a program with very little or no funding, just think of what we could do if we had more financial support from the Federal Government.

PROBLEM IDENTIFICATION

The USDA has many good programs such as the Environmental Quality Incentive Program (EQIP), the Wildlife Habitat Incentive Program (WHIP), and the Wetland Reserve Program (WRP), to name a few. But many times, protection programs are not enough to address problems that have developed over an extended period of time. Local agencies and landowners need USDA Watershed Programs to first analyze, plan, and restore our resources, and then we can apply the aforementioned programs to protect and enhance these resources. The aggressiveness of the Federal water quality mandates and lack of resources to complete TMDL studies that will direct water quality restorations continue to put urban and rural communities and production agriculture at great economic risk. Current litigation in Minnesota has stopped expansion of public infrastructure to enhance waste treatment facilities for the City of Annandale, with implications that could impact the entire Mississippi

watershed, or 68 percent of the State. In addition, impaired waters designations have stopped maintenance and repair of a county ditch system in Aitkin County. Solving the Nation's water quality and quantity problems requires a real commitment to a Federal, state, local governments and landowner partnership. The USDA's Watershed Programs can play a vital partnership role if there is a renewed goal to fund current Federal obligations and commitments and by accelerating resources to future watershed planning and implementation.

In the 1950's, the Buffalo-Red River Watershed District had several PL–566 areas where planning was terminated, including the Deerhorn-Buffalo, the South of Hawley-South Buffalo, and Comstock Coulee projects. The problems identified at that time, have not gone away. The Comstock Coulee watershed has a drainage area of approximately 105 square miles in Clay and Wilkin Counties. The Coulee is a direct tributary to the Red River of the North, where the MPCA and the EPA have identified impaired reaches in Minnesota for turbidity, low oxygen, and fecal coliform. The Cities of Fargo, North Dakota, and Moorhead, Minnesota, both have raw water intakes for their public water supplies located immediately downstream of the Coulee outlet. These communities rely on the Red River of the North to furnish water to growing communities, whose population base is currently in excess of 200,000 people. Private cultivated land comprises 95 percent of this watershed. The NRCS, formerly called the Soil Conservation Service (SCS), first became involved in this area as a potential PL–566 project in 1963. The initial analysis was for assistance in addressing problems associated with flooding, grade stabilization, soil erosion, and protecting a farm crossing. Landowners recognized the need to address these problems at a watershed level rather than as individuals. An application for USDA assistance though the PL–566 program was made on April 26, 1966. On April 18, 1984, the application was withdrawn, partially because the USDA had no funding for this type of project, even though earlier opinions were that a watershed plan for this area would be beneficial and would yield benefits in excess of the costs. In 2005, the Buffalo-Red River Watershed District has held two meetings with landowners in this area to discuss the same concerns that were raised 40 years ago.

Committee members, the problems identified in 1963 for the Comstock Coulee area have not gone away, but have only worsened. With a growing population base downstream who demands high-quality water, the issues are more pertinent now, then ever.

I'm here today from northwest Minnesota to hopefully show you that that by working together, at the Federal, state, and local level with our farmers and ranchers, we can address the types of conservation problems and issues identified for Comstock Coulee, as well as other areas within the Buffalo-Red River Watershed District, the State of Minnesota, and our great Nation. Partnerships can be formed that will not only identify, but also solve our natural resource problems. The Federal Government needs to be a part of that solution by funding Watershed Programs though the USDA. I can personally assure this Committee that most landowners are ready, willing, and able to participate in the solution to these problems, but they need your assistance to make these individual projects a reality. The landowners' role will be to provide the long term stewardship needed for these valuable resources, and the USDA's role is to make it possible for them to realize their goals by funding projects that will protect, restore, and enhance our natural resources for this and future generations.

Again, we appreciate the subcommittee's invitation to bring our views, concerns, and suggestions about Watershed Programs to this hearing.

STATEMENT OF BILL WILSON

Chairman Lucas and members of the subcommittee, I am Bill Wilson, president of the National Association of Conservation Districts. I have served as a district official for the Haskell County Conservation District since 1980 and have served in various positions with NACD since 1994. I am also a founding member and past chair of the National Watershed Coalition, of which NACD is an active member.

I am also a registered land surveyor in Oklahoma and Arkansas and own and operate a 650-acre cow/calf, horse and mule ranch in East Central Oklahoma. I have worked for many years to restore Dust Bowl era farm fields into productive pasture land and am familiar with and employ many conservation practices on my operation.

NACD is the nongovernment organization that represents the Nation's 3,000 conservation districts and the more than 16,000 men and women—district officials—who serve on their governing boards. Conservation districts are local units of government established under state laws to carry out natural resource management

programs at the local level. Conservation districts, with their 7,800 employees, work closely with USDA and other Federal and state agencies, as well as private sector organizations, to provide technical and other assistance to millions of landowners and operators to help them manage and protect the Nation's land, water and related resources. Conservation districts provide the linkage for delivering many Federal, state and other local natural resource programs at the local level.

As the subcommittee undertakes this review of USDA's watershed programs, I want to thank you for this opportunity to appear before the subcommittee and share with you the conservation district perspective on the successes of these programs, the need for streamlining and modernizing them, and better integrating them with other USDA conservation programs.

BACKGROUND

Since the enactment of Watershed Protection and Flood Prevention Act in August 1954, conservation districts have actively worked with NRCS (formerly SCS) in carrying out the program. In fact, conservation districts are local sponsors of almost all of the more than 1,500 active or completed projects nationwide.

Through the authorities in the P.L. 534 and P.L. 566, NRCS has assisted local and state watershed project sponsors in constructing 11,000 flood control dams in 2,000 watersheds in 47 states since 1948. The Small Watersheds Program, as it is commonly known, was the first program of its kind to address natural resource conservation on a watershed-wide basis—tackling issues such as flood prevention and protection, water quality, erosion control, water supply, recreation, irrigation management, fish and wildlife habitat and wetlands protection and restoration.

IMPROVED INTEGRATION AND COORDINATION

Since the Small Watersheds Program was created more than half century ago, many new USDA conservation programs have been created, especially since the enactment of the 1985 Food Security Act—the Conservation Reserve Program, the Wetlands Reserve Program, the Environmental Quality Incentives Program, the Wildlife Habitat Incentive Program and the Farm and Ranch Land Protection Program, Grasslands Reserve Program and the Conservation Security Program. However, all of these programs are focused primarily on individual farm and ranch operations. Some critics say there is duplication among these many efforts. Let us say strongly that we do not support duplicating conservation programs on the same acres. We support coordinating and integrating the available conservation tools to solve natural resource concerns thus keeping American farm and ranch land productive and providing many public benefits, including water, soil, and air quality, open spaces, fish and wildlife habitat and other benefits.

We could accomplish more and do it more efficiently if we had improved integration and coordination of the planning and implementation of all of these programs. What is wrong with using all of the tools in our toolbox in a watershed-based approach to natural resources conservation? That wouldn't be duplication, it would be synergy. In the case of the watershed program the synergy would produce substantial benefits by treating the entire watershed natural resource concerns with the conservation programs that could protect all or most of the resources in the watershed.

And one way to promote that synergy would be through what NRCS is now calling Rapid Basin Assessments, in which watershed planning teams meet with landowners and conservation groups, inventory agricultural areas and identify conservation opportunities. The process is intended to increase speed and efficiency in guiding implementation of conservation practices and programs. It's also intended to put more decision-making into the hands of local leaders. This approach can also lead to getting more conservation on the ground sooner as it shortens the planning period leading up to implementation.

Providing better program integration also would help people understand the program and recognize its environmental accomplishments. As it stands right now, most people who are not directly involved in the Small Watersheds Program know little about it. The Small Watersheds Program has an excellent cost-benefit return. According to the report, Watershed Rehabilitation-A Progress Report 2005, "These projects provide an estimated $1.5 billion in annual benefits in reduced flooding and erosion damages, recreation, water supplies and wildlife habitat."

In another criticism concerning duplication, I must also point out that some critics have asked that since the US Army Corps of Engineers (USACE) and Bureau of Reclamation carry out extensive "watershed" programs, why does USDA need to duplicate those efforts? That criticism demonstrates a basic misunderstanding of the purposes of these programs. USACE and Reclamation carry out large Federal

projects, including some large watershed ones. Both their purposes and their scales are fundamentally different. The operational agreements among the three organizations have positioned the 566 program to address the smaller watersheds, typically including those less than 250,000 acres, leaving the larger projects to the other organizations.

FUNDING ISSUES

Funding is a serious issue facing the Small Watersheds Program. Over the past decade funding for the program has been in constant decline, while funding needs have increased. While we are pleased that Congress chose to fund the program at a level higher than that requested by the Administration, we can still document funding needs nearly $175 million higher than the fiscal year 2006 appropriated level.

While fully funding the program to meet the documented needs remains our highest priority, we also raise some issues on how allocations are made. In several fiscal years since 1993, earmarks for watershed appropriations have actually exceeded the funding levels themselves. In fact, over past several years, earmarks have exceeded the appropriation by up to 30 percent. This earmarking ends up creating a larger waiting list for funding of other projects, adding to the already enormous backlog.

We find this troubling for more than one reason. First, it makes both the agency's and sponsors' planning process very difficult. Both know that even if they successfully navigate all the procedures and requirements to get a project approved, they'll still need an earmark to get a project funded. It also gives the technical staff at NRCS no discretion to use sound science to determine the priorities and best and most conservation-effective use of program funds. We do not mean to imply that the work being done, even using "earmarked" funding, is not good, high priority work. The projects are still being planned and implemented using sound science and tested technology.

Project Backlog

To address the backlog created in part by earmarking, some have suggested that NRCS review and perhaps sunset some of the backlog. Part of the problem in doing that is the projects are locally supported with the potential of partial Federal funding. In many cases, states, conservation districts, local communities and other sponsors have invested significant funds, acquired land rights and made promises to citizens, with the only remaining need being the Federal commitment. In my local watershed, the state has already made surveys, held many public meetings promoting the project, plans have been drawn and planning commitments made. At the very least, state and local sponsors should be part of the review process in determining whether or not a project should be sunsetted to establish a balance of authorized and implemented projects.

We believe the proper course of action in the long-term is for the Administration and Congress to support funding for projects as they are planned, thus eliminating the existing back-log over time and avoiding the creation of a backlog in the future.

SMALL WATERSHED REHABILITATION PROGRAM

Another issue I would like to address is the Small Watershed Rehabilitation component of the program. Under your leadership Congress adopted the Watershed Rehabilitation Act of 2000. The act recognized that most watershed infrastructure, facilities or structures, including dams, were designed with a 50-year lifespan and that many have reached or exceeded that; and that many more will in upcoming years. The statute stated it was "to provide cost share assistance for the rehabilitation of structural measures constructed as part of water resource projects previously funded by the Secretary under such Act or related laws."

The law, targeted to address structures built under the P.L. 534 and P.L. 566 programs, authorized $90 million over five years (2001 to 2005) for USDA to provide financial and technical assistance to cover a portion of the costs to review, re-assess, re-plan or update the watershed plan and to rehabilitate aging structures. The local sponsors were required to provide 35 percent of the costs.

The 2002 Farm Security and Rural Investment Act increased the funding authorization and extended the program through 2007. Although $31.5 million was appropriated this year for the Rehabilitation Program, that is a little more than half the authorized amount. None of the $240 million authorized in mandatory funding has been used.

According to the Association of State Dam Safety Officials, there are more than 1,000 community-sponsored, USDA-assisted dams throughout the United States that are over 40 years old. USDA's own figures support this fact and have been well documented.

In those same 40-plus years, many of the communities have changed and downstream developments have sprung up in the shadow of many of these aging structures. Getting a handle on repairing, upgrading, or in some cases de-commissioning them isn't just a matter of money. It's a matter of public health and safety.

Work carried out under the Small Watershed Rehabilitation Program will likely carry forward a number of years into the future. As we go forward in reviewing, re-assessing, re-planning and updating theses watershed plans, we should take advantage of the tremendous opportunities available to integrate those planning efforts with the planning activities for CRP, EQIP, WRP, WHIP, FRLPP, GRP and the CSP.

EMERGENCY WATERSHED PROTECTION PROGRAM

Section 216 of the Flood Control Act of 1950 established the Emergency Watershed Protection Program (EWP). The program's purpose is to undertake emergency measures to prevent soil erosion and runoff and undertake measures to safeguard lives and property from floods, drought and erosion on any watershed whenever fire, flood or any other natural occurrence.

While it is not necessary for a national emergency to be declared for an area to be eligible for assistance, the EWP has been instrumental in implementing emergency measures to relieve imminent hazards to life and property created by natural disasters. It provides financial and technical assistance for debris removal, protecting destabilized streambanks, establishing cover on critically eroding lands and repairing conservation practices. NRCS also has authority to purchase floodplain easements to take people and property out ofharm's way.

The EWP is generally funded through emergency appropriations in response to natural disasters. Currently, USDA estimates the backlog for assistance requests under EWP is about $800 million. Conservation districts support creating a separate, stand-alone account that would be a revolving or base account funded during the annual appropriations process to expedite emergency response to disasters.

Mr. Chairman and members of the subcommittee, I again thank you for the opportunity to present NACD's views on USDA's watershed programs. As always, we in the conservation community are ready and willing to work with you to find solutions to the issues discussed here today.

STATEMENT OF ED WYTOVICH

Good morning, Mr. Chairman and members of the committee. I am pleased to be here and honored to testify on behalf of the watershed restoration efforts in Pennsylvania. This is a critical issue to all of us, and I welcome the opportunity to highlight the work we have done in our region and report to the Committee some remaining challenges.

I am an 8th grade science teacher at Upper Dauphin Area School District in Dauphin County Pennsylvania. I have been actively involved in land and water restoration projects in the Anthracite Region of Northeast Pennsylvania for over 30 years. I have worked with several conservation groups, industry representatives, elected officials, and students to help found ten watershed organizations in the Commonwealth. The work we have been able to accomplish is proof that building partnerships is essential to any winning watershed strategy, and the United States Department of Agriculture Natural Resources Conservation Service, the Resource Conservation Development Councils, and the Conservation Districts are a vital component of our team.

As for background for the Committee members, the Anthracite coal region lies in Northeastern Pennsylvania. The Anthracite Coal Industry declined during the 1900's, coal companies went bankrupt, and the impacts have since devastated our region. The abandoned mines leak acidic, alkaline, and metal-contaminated water, polluting water supplies, destroying fish and wildlife habitat, depressing local economies, and threatening our human health and safety. It is estimated that of Pennsylvania's 67 counties, 44 are directly affected by abandoned mines that encompass over 220,000 acres. Abandoned mine drainage (AMD) is the largest water pollution problem in the state with over 3,000 miles of stream contaminated. The Schuylkill, Susquehanna, and Lackawanna Rivers all contain enormous amounts of contamination from acid run-off and sedimentation from abandoned mine sites. The cost of cleaning up Pennsylvania's mine legacy is estimated to be as high as $15B. Currently, the state receives some money from the Abandoned Mine Reclamation Fund; however, the Fund is not structured to adequately address our issues and it will take more than one program and one agency to complete the job. Our ability to form

coalitions and raise awareness has brought some success, but the largest obstacle remains Federal assistance. It is my hope we can build upon our organization and work to reestablish, enlarge, and enhance USDA watershed programs.

An innovative partnership has emerged across Pennsylvania in order to address our water quality concerns. In 1996, representatives of the Conservation Districts in eastern Pennsylvania and the Pocono Northeast Resource Conservation District (RC&D) led the way for the formation of the Eastern Pennsylvania Coalition for Abandoned Mine Reclamation (EPCAMR). I am a charter member of EPCAMR and the current President. We formed the coalition to identify how districts and local cooperating organizations could promote and contribute to local, state, and Federal mine reclamation efforts in the Anthracite Region. Our mission is to encourage redevelopment of mines and waters, serve as a liaison between public and private sectors, and conduct outreach and education on these important issues. Today, EPCAMR has grown to include three full time employees and is funded through an EPA 319 grant. Our membership is comprised of appointees from the Conservation Districts in the 14 county area, watershed associations, and industry representatives.

EPCAMR is supportive of reestablishing and funding the rural abandoned mine program (RAMP), which has been financed by the Abandoned Mine Fund and administered by the USDA/NRCS. RAMP is authorized for the purpose of reclaiming the soil and water resources of rural lands adversely impacted by past coal mining practices; however, the program has not been funded since 1997 and USDA has not dedicated staff to it since fiscal year 2003. This program worked through local communities (conservation districts and other agencies) to solve and address many AML problems. NRCS provided most of the technical assistance, natural resource planning, design, and construction of reclamation projects. Today, there are very few people available who have time or financial resources to fill the role NRCS has played.

In order for a project to be successful, local community support on all fronts must be in place. Local involvement has the potential to turn in to a comprehensive watershed project with the potential of attracting more financial resources. My first project involving a conservation district started in 1992 when, through the efforts of my students at Williams Valley High School, we developed a community partnership to treat an Acid Mine Drainage discharge on the Wiconisco Creek. This partnership through the help of me and my students has now become the Wiconisco Creek Restoration Association. The Wiconisco creek flows through part of the campus of Williams Valley School District and it was a natural way to have my students get involved with their local environment. The Wiconisco Creek is heavily impacted and degraded by past mining practices, especially Acid Mine Drainage, which has made many miles of the stream uninhabitable for aquatic species. This was a chance for my students to not only learn about the environment but also to become active participants in its restoration. Student projects started by monitoring the stream to learn about the water chemistry and why there weren't any fish in the stream. From there the students did research to find the sources of pollution and what could be done about them. Their research led to an innovative project proposal for the stream called a diversion well. My students, through community connections, formed a coalition to address the problem and with community support the well was constructed. This project has, in part, led to many partnerships for me in the restoration community. My students, as part of another project, helped me form the Wiconisco Creek restoration Association which continues to do many projects that are helping to restore the Wiconisco Creek.

In 1996 I helped form the Catawissa Creek Restoration Association and am the current president. I would like to use the Catawissa as an example of how USDA supports a watershed towards recovery.

Very little Anthracite mining actually took place in the Catawissa Watershed (which encompasses approximately 150 square miles), but it has been greatly impacted by the construction of five [5] mine drainage tunnels that were dug during the heyday of Anthracite mining. These tunnels were dug to drain by gravity the coal fields in the headwaters of the Catawissa. Although underground mining in this area ceased many years ago, these tunnels still discharge millions of gallons of acid mine drainage daily into the Catawissa Creek and its tributaries, rendering it virtually lifeless throughout most of its 42 mile length.

The first project undertaken in the Catawissa Watershed was treatment of the Oneida No. 1 discharge located in Eagle Rock, a gated community located near Hazleton, Pa. This discharge is the primary source of water to Lake Choctaw and contaminates the Tomhicken Creek, a tributary to Catawissa Creek and the Susquehanna River. Through joint efforts of the Columbia and Schuylkill Conservation Districts and EPCAMR, a project to treat the discharge was proposed and we received

a conservation technical assistance grant. NRCS was in charge of the design and some funding [$60,000] for construction was provided by the Rural Abandoned Mine Program (RAMP). The project cost approximately $350,000 and was completed in 2001. Oneida No. 1 treats an estimated 1,500 gallons per minute of acid mine drainage and the immediate effects of the system include a change of pH in Lake Choctaw from 5 to 7 and a corresponding increase in pH of 15 miles of the Tomhicken Creek.

With the help of NRCS engineers, we devised a plan in which manure storage tanks could be used for future projects that would enable us to reduce the footprint of the projects. We calculated what would be necessary to treat the Audenreid Mine Tunnel Discharge; the largest abandoned mine drainage discharge in the watershed and located near the headwaters of the Catawissa Creek. After review of my conceptual ideas and calculations by United States Geological Survey, Hedin Environmental, and engineers from the PA Bureau of Abandoned Mine Reclamation, it was decided that this was a viable idea. In a cooperative venture between PA Conservation Districts and NRCS a conceptual design was put forth. The Schuylkill Conservation District, in partnership with the Catawissa Creek Restoration Association, applied for a grant through the PA Growing Greener Program to design and build a treatment system for the Audenreid discharge. Governor Rendell awarded a Growing Greener grant for the project and some monies were provided by an EPA 319 grant. This is perhaps the largest passive treatment system, in terms of amount of water to be treated, ever built. The system is scheduled to come on line Friday, December 2, 2005.

When completed, the Audenreid Discharge Treatment System will effectively restore water quality for 36 miles of now impaired stream and make it into what we believe will be a world class trout stream. The PA Fish and Boat Commission estimated that this project will have a benefit/cost ratio of 2 to, due to increased recreational fishing opportunities. This does not take into consideration the added benefits of increased property values along the stream corridor, opportunities for other recreational pursuits such as birding, camping, and guide services. With this in mind I have written a proposal to help increase access for the public to the stream corridor which, I feel, will lead to increased opportunities for landowners to benefit financially from our project.

Other benefits, though harder to quantify, include not only quality of life issues for the residents of the Catawissa Watershed but also an increase in diversity of species that require clean water. The members of the Catawissa Creek Restoration Association who have been a part of this restoration since the beginning feel a greater sense of stewardship towards their watershed. Through participation in reclamation efforts we develop ownership and from that ownership we develop stewardship. This could not have happened if it were not for the partnerships that have developed and nurtured by the conservation districts, EPCAMR, CCRA, NRCS, the Pocono Northeast RC&D, Pa. Department of Environmental Protection, the EPA, landowners and many others who have come together to restore the Catawissa Creek Watershed.

Pennsylvania's watershed groups can point to several successes, but there is much work left to be done. We believe our efforts to bring all parties to the table may be stifled due to the elimination of important programs such as RAMP and lack of Federal funding for RC&D's and staff. It is my hope I've shed light on a small , but equally important program and that we can continue to work together to address our watershed concerns.

STATEMENT OF KENNETH TOW

The Iowa Department of Agriculture and Land Stewardship (IDALS)/Division of Soil Conservation has been a strong supporter of the Natural Resources Conservation Service (NRCS) Small Watersheds Program over the past 50 years. During that time 2,500 structures have been constructed within the state as well as thousands of acres of land treatment have been implemented through the program. The strong utilization of this program has allowed Iowa to rank among the top three states nationally. The installation of these practices has provided immeasurable benefits for the state in the form of:

- Flood Control
- Erosion Control
- Water Quality Benefits
- Water Supply Development
- Recreational Development

- Wildlife Enhancement
- Protection of Infrastructure
- Economic Benefits

The Division of Soil Conservation has cooperated with NRCS's Small Watersheds Program by providing funding for additional upland treatment through Iowa's watershed and water quality programs. The combination of these programs has allowed this state to make great strides in protecting our fragile resources. Additionally, this partnership has served and will continue to serve as a catalyst for the rehabilitation of structures that have exceeded their design life expectancy.

The Division of Soil Conservation believes it is of the utmost importance that the use of earmarks to special projects be discontinued and funding is restored to the Small Watersheds Program and Watershed Rehabilitation Program at the authorized level. These actions will help restore the original intent of these programs allowing them to continue to provide the many benefits described above.

STATMENT OF ERWIN AUST

The Small Watershed Program has been very effective and is vital to conservation and rural development in Iowa and the Nation. The program has provided assistance primarily for conservation and flood control, but many projects have included multi-purpose sites for water supply and water-based recreation. These projects are important for local economic development by making good quality water available for livestock, agriculture, industry and rural people. The associated recreation developments of these projects improve the quality of life as well as diversifying local economies in rural areas.

The completed projects have proven their economic worth through the years and especially during the storm events in the 1990's. The five Iowa multi-purpose reservoir/lake projects [Walters Creek-Lake Icaria, Adams County; Twelve Mile Lake, Union County; Little River Lake, Decatur County; Indian Creek-Van Buren-Lake Sugema, Van Buren County; and Three Mile Lake, Union County] in southern Iowa have meant survival to agriculture and the communities in at least 11 counties. The need for increased water supply has been identified and is being planned in at least six more projects which are in all phases of the program from early stages of organizing sponsors through active planning to active construction.

The West Tarkio Watershed project is to include a multi-purpose reservoir in Page County for water supply and recreation development. The P.L. 566 technical and financial assistance is critical to provide better quality and quantity water supply for the area and growth of an ethanol plant directly benefiting the local agriculture economy, while reducing the Nation's dependence on imported oil.

I write to encourage you to consider the importance of this program especially for future rural water supply development. Adequate sources of high quality drinking water have become an ever increasing need throughout the country in recent years. The PL-566 program has had funding cut a disproportional amount since 1993 while the need for assistance has grown in a more critical area of need, water supply.

The West Tarkio Watershed Project along with many others needs P.L. 566 assistance.

STATEMENT OF WAYNE F. MARESCH

The Land Improvement Contractors of America has been involved with the Small Watershed Program for more than 50 years. We have seen the benefits it brings to rural America in terms of flood prevention, irrigation and municipal water supply, recreation, fish and wildlife, etc. In a number of cases it has created jobs in rural America We have also witnessed the havoc wreaked on homes, crops and roads where floodwaters are not controlled. Support for the program has grown exponentially over the years, as witnessed by the backlog of requested work in the Federal programs.

Back in 1954, when the Congress recognized the pressing need for the Small Watershed Program by passing the act, the response was immediate and rural communities saw a way out of the periodic devastation they were experiencing from floods that were not the result of large river. Since then the network of small watershed structures has become a significant part of our Nation's infrastructure. While it does not guarantee 100 percent protection from floods it eliminates the majority of damages that would otherwise result.

Recognizing that we are in a budget cutting era, and that every program must be looked at carefully to be sure funding is needed, we urge the Congress to fund

this vital program to the extent possible, sending a message to rural America that their problems are important to the Congress

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STATEMENT OF LEE C. DAVIS

Our Cape Cod Conservation District in cooperation with our Barnstable County Commissioners has developed a Small Watershed Program to restore marine resources in Barnstable County in Massachusetts. This program has been established under the USDA's Public Law 566 and with the full technical support of our State and Federal partners in the Natural Resources Conservation Service

The co-sponsors along with our NRCS partners propose important locally targeted marine resources. The conservation, transportation, local and State resource departments have spent over 2 years assessing the priority sites for saltmarsh restoration, stormwater runoff sites impacting shellfish growing areas and anadromous fishway obstructions for river herring.

The 566 Watershed Program for Cape Cod (Barnstable County) is enthusiastically supported by congressional, state and local officials. This program addresses critical regional needs while having significant national implications for other coastal communities

Thank you for giving Cape Cod watershed program sponsors the opportunity to present our program for your consideration.

December 5, 2005

CONGRESSMAN FRANK LUCAS, CHAIRMAN
Subcommittee on Conservation, Credit,
Rural Development, and Research
U.S. House of Representatives
Washington, DC 20515

Dear Congressman Lucas,

Our Cape Cod Conservation District in cooperation with our Barnstable County Commissioners has developed a Small Watershed Program to restore marine resources in Barnstable County in Massachusetts. This program has been established under the USDA's Public Law 566 and with the full technical support of our state and Federal partners in the Natural Resources Conservation Service (NRCS). I am writing to seek your assistance with this project.

Support of this project would address three priority resource issues on Cape Cod. First, it will support storm water remediation from more than 200 run-off sites in the area. These present health and environmental risks and affect commercial fisheries and shellfisheries, undermine struggling aquatic, bird and mammal species. Second, it will help with salt marsh restoration of more than 180 tidally restricted sites. Finally, it will facilitate anadromous fish passage restoration for more than 20 sites.

The 566 Watershed Program for Cape Cod is enthusiastically supported by Federal, State and local officials. Partners include the Barnstable County Commissioners, the Cape Cod Conservation District and all 15 Cape towns, as well as appropriate state agencies and numerous local organizations. This program addresses critical regional needs while having significant national implications for other coastal communities.

Thank you for giving Cape Cod watershed program sponsors the opportunity to present our program for your consideration.

Sincerely,

WILLIAM D. DELAHUNT
Member of Congress

STATEMENT OF BRUCE I. KNIGHT, CHIEF
NATURAL RESOURCES CONSERVATION SERVICE
U.S. DEPARTMENT OF AGRICULTURE
BEFORE THE
U.S. HOUSE OF REPRESENTATIVES
COMMITTEE ON AGRICULTURE
SUBCOMMITTEE ON CONSERVATION, CREDIT, RURAL DEVELOPMENT AND RESEARCH

December 6, 2005

Mr. Chairman and Members of the Subcommittee:

Thank you for the opportunity to appear before the Subcommittee to discuss water resource program activities of the Natural Resources Conservation Service (NRCS). The mission of NRCS is to help people help the land. Through the water resource programs that NRCS administers, our employees work in partnership with local leaders to improve the overall function and health of our Nation's watersheds. I am pleased to appear before you today to share with you the accomplishments of the past as we consolidate our gains in these programs, and develop a vision for the future. Our goal is to improve local communities' access to clean, safe, and reliable water resources.

Last August, NRCS celebrated the 50th anniversary of the Watershed Protection and Flood Prevention Act of 1954 (Public Law 83-566) which established the Agency's water resource programs. This statute, along with the Flood Control Act of 1944 (P.L. 78-534), has provided NRCS the authority to complete work on 2,000 watershed projects nationwide, through helping local communities construct 11,000 flood control dams. The dams and other measures implemented through these watershed projects provide more than $1.5 billion in benefits every year by controlling floods, conserving water, and improving community water supply.

Specifically, flood control and other measures built under NRCS water resource programs protect nearly 58,000 bridges, 176,000 farms and ranches, and more than 46,000 businesses. These projects also conserve nearly 1.8 million acre feet of water per year.

Investing in Local Communities

Today, I will primarily focus my remarks on the three water resource accounts aimed toward comprehensive watershed planning and flood prevention. These programs are: 1) Watershed Surveys and Planning, 2) Watershed Protection and Flood Prevention Operations, 3) Watershed Rehabilitation, and 4) Emergency Watershed Protection Program and the Emergency Conservation Program.

These NRCS water resource programs provide communities and landowners water and site-specific technical expertise for planning and financial assistance for watershed project implementation. The programs provide a process to solve local natural resource problems, including flood damage mitigation, water quality improvement, ensuring an adequate rural water supply, water conservation, soil erosion control, and fish and wildlife habitat improvement.

The watershed programs are founded upon the principle of locally-driven, watershed-scale conservation, and address problems that cannot be solved on individual farms and ranches. Local governments and other sponsors initiate projects with the help of NRCS. Local sponsors are empowered as decision-makers to build State and local partnerships, and acquire local funding contributions.

NRCS assists with the planning and implementation of watershed projects, serving as the primary technical advisor, delivering science, technology, and knowledge about the natural resource base and ecosystem of the watershed. NRCS also can provide a source of funding to implement these projects. The local sponsoring organization submits an application for Federal assistance, assures public participation, makes project planning and implementation decisions, obtains land rights and permits, provides local cost-share funds, and operates and maintains project measures.

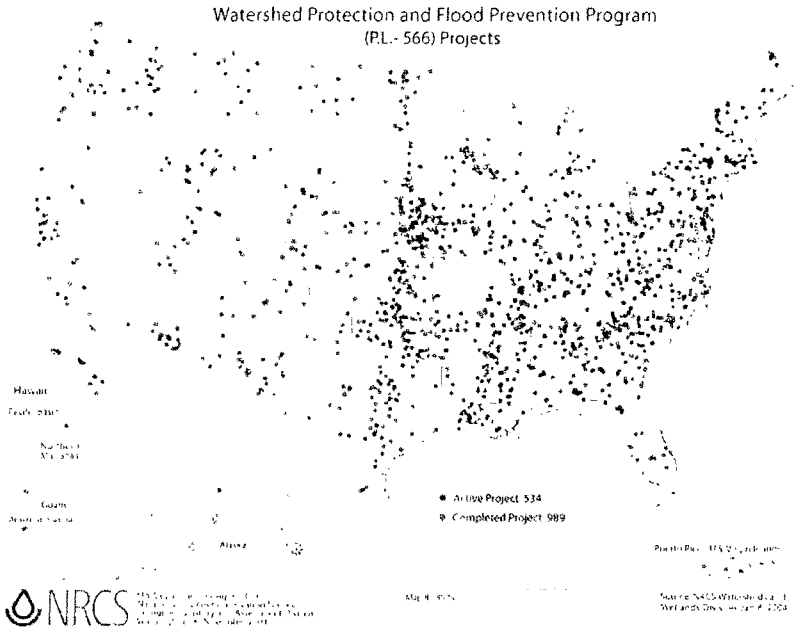
Watershed Surveys and Planning

The Watershed Surveys and Planning Program helps communities and local sponsors assess natural resource issues and develop coordinated watershed plans that will conserve and utilize their natural resources, solve local natural resource and related economic problems, avoid and mitigate hazards related to flooding, and provide for advanced planning for local resource development. The NRCS planning process provides the structure for local partners to take a comprehensive approach to protecting water quality and quantity that focuses on natural resource solutions for the whole watershed. Developing the plan involves a number of activities, including: targeting priority resource problems in a watershed; promoting involvement by local partners; developing solutions to problems through the use of the expertise and collaboration of multiple agencies and organizations; and measuring success. Traditionally, these partnership plans became the basis for future Watershed and Flood Prevention Operations (P.L.83-566) projects.

Within the scope of this program, additional authorities include Floodplain Management Studies, Cooperative River Basin Studies, Flood Insurance Studies, Watershed Inventory and Analysis, and other types of studies. Over 65 percent of these plans are stand-alone products which are used to guide local planning efforts; the other 35 percent guide both the local sponsors and technical experts in the implementation of watershed projects to solve natural resource problems. In fiscal year 2006, Congressional language directed NRCS not to initiate any new watershed surveys and planning starts.

Watershed Protection and Flood Prevention Operations

There are over 2,000 Watershed Protection and Flood Prevention Operations projects in the United States that have created a $6 billion national infrastructure. These projects provide multiple benefits to more than 48 million people in local communities. Each project has a specific purpose and benefit; most address a primary purpose of flood control, while other projects benefits include upland conservation practices that address a variety of natural resources needs such as water quality improvement, soil erosion control, animal waste management, irrigation, water management, water supply development, and recreation enhancement. USDA shares the cost with local communities. The following map depicts the scope of this program across the Nation.



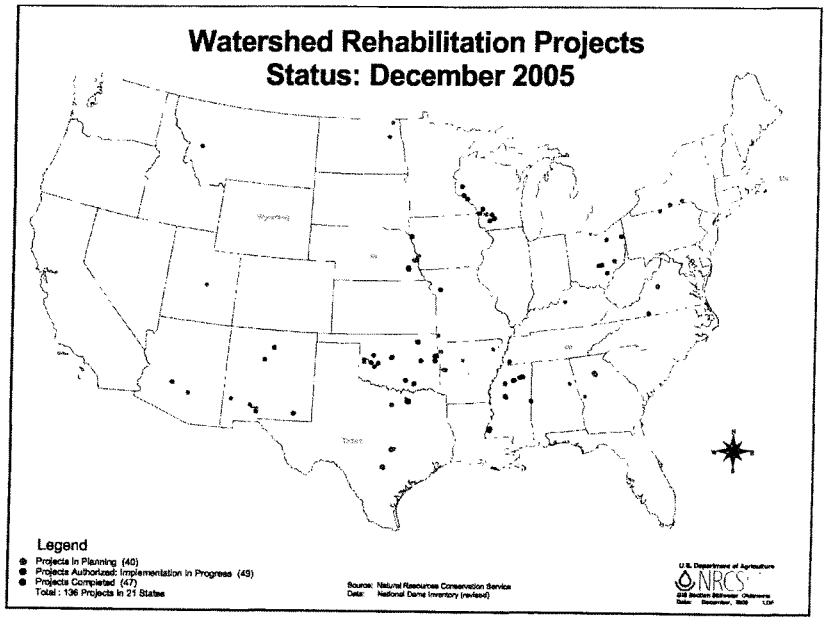
An example of the kinds of projects being implemented across this country is the Upper Red Rock Creek project in Oklahoma, where a groundbreaking ceremony took place this fall. This project will provide flood protection for agricultural lands downstream and for a major Interstate Highway in Oklahoma. The dam will have a drainage area of 5,766 acres, store 2,600 acre-feet of water, and create a 95-acre lake. NRCS is constructing the dam under the Watershed Protection and Flood Prevention Program. While most of the dams have been built primarily for flood protection and

sediment control, they also have the added benefit of serving as recreational areas, and many are used for livestock and irrigation water.

We have initiated an aggressive process to assess and categorize the list of applicant watershed projects to draw out considered and planned resource treatment needs that cannot be addressed through other NRCS programs. The expected result will be a realistic applicant pool of projects that focus on mitigating flood damages, and/or providing water supply and water conservation.

Watershed Rehabilitation

Since 1948, over 11,000 flood control dams have been built in the 2,000 watersheds projects across America. Many of these dams were designed for a 50-year life span and now are at, or near, that age. By 2010, more than 1,800 dams will exceed their design life. NRCS is actively helping local communities rehabilitate aging dams. Since enactment of the Watershed Rehabilitation Amendments of 2000 and subsequent amendments in the 2002 Farm Bill, NRCS has 96 dams that have rehabilitation plans authorized and the projects are completed or implementation of the plans is underway. The average dam rehabilitation cost is $1.2 million. The following map highlights the work to date under this program:



Under the Watershed Rehabilitation program, funding is authorized in both discretionary and mandatory accounts.

Emergency Recovery Programs

Mr. Chairman, we are proud of the fact that NRCS water resource programs work toward preventative measures to restore the proper function of watersheds by taking a holistic approach to implementing solutions. Our watershed programs provide the tools and process for local communities to develop solutions for holding water in the upland reaches of the watershed where the water can be the most beneficial to the landscape. NRCS and the Department stand ready to respond and provide resources should disasters occur, as has recently been the case with hurricanes in the Gulf region. USDA provides recovery assistance through two primary programs: the Emergency Watershed Protection (EWP) program administered by NRCS, and the Emergency Conservation Program (ECP) administered by the Farm Service Agency (FSA). The purpose of the EWP program is to undertake emergency measures, including the purchase of floodplain easements, for runoff retardation and soil erosion prevention to safeguard lives and property from natural disasters. The typical process for delivery of this program starts with the local sponsor requesting assistance for a disaster recovery effort. NRCS then conducts a damage assessment to identify if the project is eligible and develop an estimated cost. Typical work under this program ranges from debris removal from clogged streams caused by flooding; installing conservation measures, like reseeding native grasses, to prevent soil erosion on hillsides after a fire; or replanting and reshaping streambanks due to erosion caused by flooding. At the request from communities across the Gulf region recovering from Hurricanes Katrina and Rita, NRCS has completed nearly $23 million in recovery work under the EWP program.

The Emergency Conservation Program (ECP) provides cost-share assistance to agricultural producers to rehabilitate farmland severely damaged by natural disaster and to provide emergency water conservation measures during periods of severe drought. The ECP is administered through State and County Farm Service Agency (FSA) committees. Since 1993, the ECP has been funded through supplemental appropriations. Immediately following the impact of Hurricanes Katrina and Rita, FSA provided more than $31 million to the affected areas of Alabama, Louisiana, Mississippi, and Texas. The ECP sign-up periods were established and producers were informed about the availability of the program. In his announcement on October 28, 2005, Secretary Johanns announced that as part of the President's reallocation proposal, USDA was requesting $160 million in additional funding for the FSA to provide cost-share assistance for emergency measures to clean-up and repair hurricane-related damage of agricultural lands; and $200 million for the NRCS to provide cost-share assistance to retard runoff, prevent soil erosion, and repair watersheds.

Both of these programs offer vital recovery options for local communities when disaster strikes.

Future Course

In fiscal year 2006, the Administration proposed cuts in funding for Watershed Surveys and Planning by nearly 30 percent, reducing Watershed Rehabilitation by 45 percent, and eliminating funding for Watershed Operations. However, I want to say unequivocally that zero funding does not mean zero support. This Administration is not abandoning its commitment to the goals of the watershed programs. We are not giving up on local cooperative partnerships that cut across property lines and jurisdictions. But it is time to re-think our watershed programs. It is time to begin a discussion on what a watershed program might look like if it is based on current national priorities and with consideration of the conservation programs available since the 1996 Farm Bill.

For the last several years, NRCS has been managing a watershed program over which it has had little control. We have been administering a program that is nearly 100% earmarked and that poses some serious problems. This has created problems in setting and addressing national priorities that will garner the greatest environmental benefit; providing the high-quality technically trained interdisciplinary staff in the proper locations; and in strategically improving the health of critical watersheds.

In addition, there is some duplication between the water resource programs and Farm Bill conservation programs. As an Agency we can provide land treatment, with the Watershed Protection and Flood Prevention Operations Program, the Conservation Technical Assistance Program, and through the Environmental Quality Incentives Program. So then the challenge becomes, how do we together, re-examine these programs to efficiently address the needs of local communities in the 21st Century without duplication.

Charting a New Course

The Watershed Protection and Flood Prevention Operations Program is at a crossroads. NRCS has undertaken an effort to examine the future of the water resources programs. One of the strategies we are investigating to increase the efficiency of resource planning and conservation practice implementation is the use of rapid watershed assessments. Rapid watershed assessments could provide initial estimates of where conservation investments would best address the concerns of landowners, conservation districts, and other community organizations and stakeholders. The final rapid watershed assessment product identifies and summarizes current resource conditions and related maintenance costs; desired resource conditions; conservation opportunities; and potential funding sources for conservation practice implementation within a watershed. The accelerated process includes extensive stakeholder input, provides a transparent process for our partners, and serves as a platform to enhance the delivery of our Farm Bill conservation programs. In addition, rapid watershed assessments would identify areas and resource concerns that demand more intensive data collection and planning and would serve as a solid foundation for watershed plans developed through the Watershed Surveys and Planning program.

Then, based on the priorities generated by the rapid watershed assessment, detailed plans would be developed for specific high-priority watersheds and sub-watersheds. These plans would include detailed resource inventories, analyses, problem identification, and alternative solutions. They would specify land treatment solutions, on-site and off-site benefits, and identify conservation programs that could be utilized toward implementation of the plan.

Summary

In summary, the U.S. Department of Agriculture has accomplished much in the water resource programs over the past 50 years. Economic, social, and environmental benefits from these programs have been significant for both agricultural and urban communities, which will continue to enjoy reductions in erosion, improved water quality, flood mitigation, greater productivity of cropland and rangeland, and many recreational opportunities. Through the Department's watershed programs, we look forward to helping people help the land.

I thank the Subcommittee and would be happy to respond to any questions.

18-57

NATURAL RESOURCES CONSERVATION SERVICE
Geographic Breakdown of Obligations and Staff Years
2004 Actual and Estimated 2005 and 2006
WATERSHED AND FLOOD PREVENTION OPERATIONS

	2004		2005		2006	
	Amount	Staff Years	Amount	Staff Years	Amount	Staff Years
ALABAMA	1,823,832	5	5,192,000	9	--	--
ALASKA	977,522	--	772,000	--	--	--
ARIZONA	4,940,357	9	3,514,000	7	--	--
ARKANSAS	3,449,151	13	3,029,000	11	--	--
CALIFORNIA	22,247,057	20	135,391,000	145	--	--
COLORADO	1,020,524	3	1,088,000	3	--	--
CONNECTICUT	226,721	2	226,000	2	--	--
DELAWARE	126,592	1	786,000	2	--	--
FLORIDA	4,526,300	5	124,499,000	151	--	--
GEORGIA	457,069	4	3,798,000	9	--	--
HAWAII	5,518,707	5	4,720,000	6	--	--
IDAHO	447,671	2	298,000	1	--	--
ILLINOIS	2,946,130	3	2,213,000	3	--	--
INDIANA	456,518	3	2,427,000	8	--	--
IOWA	7,959,633	15	5,903,000	14	--	--
KANSAS	3,321,071	11	3,235,000	11	--	--
KENTUCKY	1,859,992	6	1,707,000	6	--	--
LOUISIANA	4,006,482	11	3,617,000	7	--	--
MAINE	94,709	1	545,000	2	--	--
MARYLAND	142,436	2	1,940,000	9	--	--
MASSACHUSETTS	1,402,078	3	1,577,000	4	--	--
MICHIGAN	326,580	2	909,000	3	--	--
MINNESOTA	500,278	5	3,970,000	9	--	--
MISSISSIPPI	5,328,521	19	10,605,000	24	--	--
MISSOURI	8,596,174	46	7,250,000	41	--	--
MONTANA	366,854	1	312,000	1	--	--
NEBRASKA	519,350	3	455,000	3	--	--
NEVADA	1,892	--	2,000	--	--	--
NEW HAMPSHIRE	265,285	2	264,000	2	--	--
NEW JERSEY	113,519	1	113,000	1	--	--
NEW MEXICO	184,005	8	551,000	6	--	--
NEW YORK	426,054	2	1,249,000	3	--	--
NORTH CAROLINA	368,400	7	66,123,000	124	--	--
NORTH DAKOTA	6,615,462	8	4,663,000	8	--	--
OHIO	73,422	3	278,000	2	--	--
OKLAHOMA	4,685,335	18	8,551,000	23	--	--
OREGON	148,711	1	302,000	1	--	--
PACIFIC BASIN	395,552	5	546,000	3	--	--
PENNSYLVANIA	6,012,264	12	7,225,000	15	--	--
PUERTO RICO	233,248	1	6,989,000	12	--	--
RHODE ISLAND	--	--	--	--	--	--
SOUTH CAROLINA	275,836	3	2,907,000	7	--	--
SOUTH DAKOTA	-265,385	1	124,000	1	--	--
TENNESSEE	7,333,438	11	18,573,000	24	--	--

18-58

	2004		2005		2006	
	Amount	Staff Years	Amount	Staff Years	Amount	Staff Years
TEXAS	9,013,619	27	10,039,000	24	--	--
UTAH	3,354,267	4	6,190,000	6	--	--
VERMONT	1,112,298	4	1,205,000	4	--	--
VIRGINIA	1,124,255	8	3,237,000	11	--	--
WASHINGTON	569,734	3	508,000	1	--	--
WEST VIRGINIA	10,648,008	19	10,522,000	24	--	--
WISCONSIN	1,555,390	1	1,608,000	1	--	--
WYOMING	445,260	5	434,000	5	--	--
NATIONAL HDQTR	5,797,769	37	5,494,000	33	--	--
CNTRS/INSTITUTES	1,169,825	7	1,175,000	7	--	--
EAST REGION	44,424	--	--	--	--	--
MIDWEST REGION	41,556	--	--	--	--	--
NO. PLAINS REGION	53,979	--	--	--	--	--
SOUTHEAST REGION	58,982	--	--	--	--	--
SO. CENTRAL REGION	53,430	--	--	--	--	--
WEST REGION	44,157	--	--	--	--	--
FOREST SERVICE	-60	--	--	--	--	--
UNDISTRIBUTED	--	--	3,064	--	--	--
Total Obligations/Est	145,542,240	398	488,853,064	839	--	--

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Testimony of
Michael L. Sykes
Romney, West Virginia
National Watershed Coalition Chairman

Presented to the
Subcommittee on Conservation, Credit, Rural Development and Research
of the Committee on Agriculture
U. S. House of Representatives

December 6, 2005

Mr. Chairman and Members of the Subcommittee
I am Michael L. Sykes, Chairman of the National Watershed Coalition (NWC). The NWC is an alliance of national, regional, state, and local organizations and individuals that have a common interest in advocating the use of watersheds as the planning and implementation unit when dealing with natural resource issues.

It is a privilege for me to present this testimony, and we thank the chairman for holding this hearing to review the United States Department of Agriculture's Watershed Program. The Coalition would like to also express our appreciation to Congressman Lucas for his continued interest in the Watershed Program and for his leadership efforts with the rehabilitation of aging watershed dams.

My home state of West Virginia has been a leader in the watershed program from its inception. The Potomac River Watershed Project was one of the original 11 projects authorized by PL-534 in 1944. We have 33 authorized watershed projects that have 167 dams constructed in them. These projects provide $34 million in benefits annually. Besides flood control they also provide 76 domestic water supply systems, and recreation for an estimated 832,000-visitor days/year. Over 1.1 million people benefit from these projects in WV; almost two-thirds of the state's residents!

I personally have seen and heard about the impacts these projects have had on many people's lives in West Virginia. As Watershed Management Director for the West Virginia Conservation Agency, my staff and I are responsible for working in conjunction with conservation districts, who are the local sponsors of these projects, on the operation and maintenance of these 167 dams, many miles of channels, and other measures in these projects. As these dams get older,

this is a tremendous task. And as more people move in downstream from these dams, they also are becoming even more of an important part of the local public infrastructure.

As NWC chairman, I also have the opportunity to talk to many watershed project sponsors and others involved in watershed management and to visit watershed projects across the nation. I have seen the flexibility of the watershed program demonstrated by the many diverse resources that are being addressed by innovative means. I have seen the many benefits of watershed projects in many states and I know the challenges these communities are facing.

Background on the USDA Watershed Program

The USDA Watershed Program, administered by the Natural Resources Conservation Service (NRCS), is a proven and successful program that other programs are modeled after because it works. The program is a true partnership between local communities, and state and federal government agencies working together to solve natural resource issues. These partners working with landowners have established flood control measures, conservation practices, fish and wildlife habitat, recreational areas, water supplies and land and water management systems that conserve and protect natural resources and improve the quality of living for thousands of Americans.

Watershed projects are planned and implemented by local people who serve as project sponsors, with assistance from the USDA Natural Resources Conservation Service. The projects are authorized and funded through the Watershed Protection and Flood Prevention Act of 1954 (Public Law 83-566) and the Flood Control Act of 1944 (Public Law 78-534).

The flood protection provided by the watershed projects has made it possible to farm thousands of acres of productive cropland that once flooded so often that it was not economical to farm. Watershed projects protect thousands of homes and lives from dangerous floods. It only takes a look back in history in any of these watershed projects to realize how much they have improved the quality of living for the people and how they have protected and improved the natural resources, as well as provided a stable economic base for many small rural communities.

The program has the flexibility to meet many natural resource needs. While many of the earlier projects were organized for flood and soil erosion control, there are projects today that are meeting other needs such as: the Lower Hamakua Ditch Watershed Project on the Island of Hawaii that is reestablishing an agricultural irrigation water system; the New York City Watershed Project where land treatment work will help New York City maintain a high quality water supply; and the Middle Suwannee River Watershed Project in Florida that is helping landowners better manage animal waste to protect water quality. There are other projects that are dealing with acid mine drainage, development of recreational areas and helping communities develop a municipal water supply.

The USDA Watershed Program is a popular program across the country because it solves problems by addressing them on a watershed basis. Requests for assistance greatly exceeds the funds appropriated each year. Through 2,000 watershed projects the watershed partnership has established a $15 billion national infrastructure that is providing multiple benefits valued at $1.5 billion annually to over 48 million people (see chart in appendix).

Watershed Program Funding and Related Issues

The NWC is extremely concerned about the continuing decline in funding for the USDA Watershed Program. Following the mid-west floods of the early 1990s congressional appropriators in conjunction with NRCS, determined that funds for the recovery effort should come from this program. Watershed sponsors were told that appropriators would restore funding levels the following year. The actions taken were a significant milestone in the demise of adequate funding to meet documented needs. The decisions made, actions taken, and the failure to restore funding to pre-1994 levels still haunts the Watershed Program's efforts today.

We urge you to examine the Administration's budget proposals for the watershed program as compared to the actual appropriation for the program by Congress. While we are pleased that Congress has chosen to fund the program at a higher level that requested by the Administration, appropriations have not kept pace with documented needs. (See chart, page 9).

While adequate funding for the program is a top priority for the NWC and equals program viability, there are other issues with in the funding and allocation process that must be addressed. We must preface our analysis and opinions by saying that we do not begrudge any watershed sponsor funding for their planned and approved project be it earmark or otherwise. However we believe that the earmark culture is out of control within the Watershed Program. In recent budgets the aggregate of individual earmarks has exceeded the appropriation by 20 to 30%!! Sponsors know that in order to get their project implemented they must not only meet all of the federal guidelines, regulations, review and permitting processes but they must also secure an earmark.

While earmarks carry a negative connotation to the public and wreak havoc with planning and administration of the program they have become the rule rather than the exception for project funding. Congress and the Department/Agency need to open a dialog aimed at restoring order to the planning and funding process. What does Congress desire from the program? What are the Agency's expectations?

Earmarking in excess of 100% of the appropriations is symptomatic of an administrative or philosophical disconnect. The fallout from this disconnect makes it extremely difficult for the heart and soul of this program, the local watershed project sponsors, to function. It disrupts their ability to plan, budget, and secure and obligate local funds. It has a demoralizing effect on those who have planned, much-needed projects, but lack an aggressive Congressional representative with the savvy and position to earmark. It places the local sponsor's credibility on a roller coaster ride as they try to secure local funding, easements and contracts only to find that politics has changed the playing field. They must then delay plans or cancel agreements and promises made concerning project implementation. Maintaining the dwindling skilled watershed/engineering staff of NRCS, who sponsors depend on for technical assistance, becomes difficult when the budget levels fluctuates wildly from year to year due to earmarks.

We do not naively believe earmarks will go away. We strongly urge representatives of Congress to open a discussion with the Administration aimed at restoring order to the appropriations process as it relates to the USDA Watershed Program. We believe this hearing is a good start toward that effort. We urge you to not just treat the symptoms that earmarking represents but to change the earmark culture and restore viability and credibility through a cooperative effort between branches of government. Restoring order to the appropriations process should also encourage more enthusiastic leadership, improved morale and an increase in quality management for the program in the agency.

Modernizing and Streamlining the USDA Watershed Program
At the Ninth National Watershed Coalition Conference NRCS Chief Bruce Knight issued a challenge to Coalition members to assist in reshaping the watershed program for the coming 50 years. We are proud of the past and much work remains. The Coalition has invested serious time and effort into developing suggestions for reshaping the program and its administration for efficiency and effectiveness in the future. We are also excited about the rehabilitation component of the program and the protection of property, life, human health and safety it will provide.

Key to this revitalization coming to pass is recognition of the economic and environmental value of the program. A commitment from Congress to adequately fund the program and an equally important commitment from the Department/Agency to administer the program based on watershed science; quality planning and technical assistance is critical. Only then will the flexibility and range of opportunities to address current and future water resource issues that lie within the program's authorizing legislation be realized.

The Watershed Program has been able to adapt to many changing societal and political objectives during the past 61 years. Today's challenges are much different than those when the eleven initial watershed projects were first authorized by the Flood Control Act of 1944. Downsizing of the Federal workforce, delivery of Farm Bill programs, homeland security concerns, emergency preparedness for natural and terrorist disasters, and concerns for the growing federal deficits forces us to reevaluate the way we all do business. Adjustments are needed to address these changing issues and improve the effectiveness and efficiency of the watershed program. These adjustments will help maintain the credibility of the program while recognizing the reality of today's Federal, state, and local situations.

As an example, we compliment the NRCS Chief for working to get the Emergency Watershed Protection Rules revised to include the authority to use EWP funds and assistance in the repair of previously installed measures funded through the watershed program as well as for the purchase of floodplain easements downstream from constructed watershed dams. This type of action to modernize, streamline, and adapt the program to meet current and future needs is what has kept the program effective over the past 61 years.

The National Watershed Coalition would offer to enter into a serious dialogue with NRCS leadership and representatives of this subcommittee to discuss suggestions for modernizing and streamlining the watershed program. We offer the following list that represents the highlights of our suggestions for adjustments needed to improve the watershed program. Some will require statutory changes, while we believe others could be adopted as policy administratively.

Improvements and actions that should be implemented administratively:

- In cooperation with sponsors evaluate the backlog of remaining project measures not yet installed in watershed projects to identify the viable remaining measures and take action to terminate those that are not viable. Some of the remaining project measures were planned decades ago and are no longer viable due to changing land use conditions, unavailability of land rights, or lack of local support to implement. This effort would help identify the true backlog of needs. Develop a systematic procedure to address the huge program commitment (currently stated by NRCS at over $1.8 billion).

- Establish NRCS policy that would provide incentives and target EQIP funds for measures within approved PL 534/566 watershed projects. Use the watershed plan for the identification and evaluation of resource needs and implement the measures with

EQIP funds in locally assigned target areas. This would take advantage of the efficient delivery timeline record of the EQIP program and would use the limited watershed program funds for purposes that are unique to the watershed program (such as flood control, municipal and industrial water supply, water-based recreation and rehabilitation of aging dams). Using the provisions unique to the watershed program in conjunction with Farm Bill programs will result in the following benefits, efficiencies or advantages:

- Extensive economic, environment, and social evaluations that include public and interagency reviews.
- Measures are generally installed on private land, but would also provide community benefits (i.e. flood control, sediment reduction, public recreation, municipal and industrial water supply, etc.).
- Improved measurable results of Farm Bill funding since identified resource problems would be treated within a specific watershed, rather than random implementation across the county.
- Magnified benefits (i.e. will obtain all of the on-farm benefits of the existing Farm Bill practices as well as protect community benefits such as sediment control to extend the life of projects that provide flood control, water supply, and public recreation).
- Public safety benefits added to the more conventional Farm Bill Program benefits. Conservation easements (Grassland Reserve, Farm and Ranchland Preservation, healthy Forests, and Wetland Reserve Programs) could provide a mechanism to manage floodplains and control future development downstream from flood control dams. This would keep people out of harms way and reduce the need to rehabilitate aging dams to meet current dam safety criteria (a much more cost effective way to protect the public; the average cost rehabilitating a watershed dam is more than $1 million. If future development in the breach inundation area can be controlled, it will eliminate the need for costly dam upgrades).

- Allow cost share rates to the maximum allowed by the Act (not what is restricted by NRCS policy). This will result in an opportunity to increase some cost-share rates for purposes that are already authorized in the act, including structural measures and reservoir storage for municipal and industrial water supply.

- Improve oversight on projects selected for funding by improving accountability for committed performance after funds are received (all watershed projects) and reviewing and confirming computation of risk indexes (rehabilitation projects).

Improvements that may need statutory revisions before they can be implemented:

- Provide authorization and funding for breach inundation studies and assistance for preparation of emergency action plans for high hazard dams originally constructed as a part of a watershed project.

- Authorize federal cost-share on control of development below existing low hazard dams or relocation of at-risk properties located downstream of high hazard dams as a part of existing PL-566 projects.

- Eliminate statutory limits on maximum size (dollar amount and reservoir storage) without congressional committee review and approval.

- If Congress desires that its review and approval be retained, revise statutory language to assure the Congressional committee that appropriates the funds for the projects also authorizes the projects.

- Allow use of conservation easements as a cost share alternative to address natural resource issues.

We see many states where the ability to deliver watershed planning and implementation has been seriously diminished by the downsizing of NRCS watershed staffs. This is a trend that needs to be halted. These states have complementary programs that provide a portion of the financial assistance, but still depend on NRCS for technical assistance. We do not believe Technical Service Providers (TSPs) are the answer for the Watershed program

Watershed Rehabilitation

As you know Congress authorized the USDA Natural Resources Conservation Service (NRCS) to assist communities in rehabilitating their aging watershed dams when it enacted the Small Watershed Rehabilitation Amendments of 2000. Under the leadership of Mr. Lucas this came about as a result of the initiative of watershed project sponsors, the excellent partnership that exists between the sponsors, landowners, community leaders, state conservation agencies, state dam safety agencies, and NRCS and the foresight of Congress in protecting an important national infrastructure. The act pertains to flood control dams built under the Flood Control Act of 1944 (Public Law 78-534), the Watershed Protection and Flood Prevention Act of 1954 (Public Law 83-566), Resource Conservation and Development, and a pilot watershed program (1952-1954).

Communities with watershed projects have enjoyed a 50-year tradition of protecting lives and property and conserving natural resources. Eleven thousand dams and associated conservation practices have been constructed in 2,000 watershed projects in 47 states since 1948.

Major Rehabilitation Issues for Watershed Sponsors

As sponsors consider the future of their projects they face several major issues, among those are:

- Most of the watershed dams were constructed with a designed or expected life span of 50 years. There are 457 watershed dams that already exceed their design life and that number will grow to 4,410 with in ten years.

- Some dams no longer meet current dam safety standards. Many dams were originally constructed to protect rural agricultural land and now there are homes, highways and other structures downstream that would be at risk if the dam failed. There are 1,700 high hazard dams and 2,000 more that were designed as low hazard, but are now classified as high hazard due to potential loss of life or property.

- Although sponsors have usually maintained the dams in good condition, components such as metal and concrete components of the principal spillway in some dams have deteriorated over the years and need replacement. Some have filled with sediment, reducing the floodwater storage. Most sponsors don't have the money to replace these components and bring the dam up to current dam safety standards.

- While most of the dams are safe, there are some that pose a threat to public health and safety if they should fail, especially to those who live or work downstream, or those who use the reservoirs as a source of drinking water. Some dams also have the potential for creating adverse environmental impacts in the same downstream flood plain they have been protecting.

Accomplishments
Tremendous progress has been made by the cooperative efforts of NRCS and project sponsors in the five years since the Rehabilitation Amendments were passed. By 2005, 134 rehabilitation projects had been funded in 21 states. As of January 2005, 38 projects have been completed, 27 were authorized and are being implemented, and 67 were in the planning stage. Many more were completed this calendar year.

A few examples of successful projects include:

The Martinez Creek Dam No. 5 in Bexar County, Texas, was rehabilitated because the dam was constructed in 1964 to protect rural agricultural land and today there are 99 residential, four public and three commercial properties located downstream within the area that would be inundated if the dam should fail. A dam failure would put these properties and 500 people in danger as well as anyone traveling on Kitty Hawk road.

The White Tanks Watershed Dam No. 3 in Maricopa County, Arizona, was rehabilitated because of continuing problems in the earthen fill of the dam since its construction in 1954. Over 800 homes and businesses and 6,000 people would be affected if the dam failed, including 2,400 female inmates and 400 employees at the Perryville State Prison.

Yellow River Watershed Dam No. 14 in Gwinnett County, Georgia, was rehabilitated by constructing a roller compacted concrete spillway over the dam. The dam was built in 1968 and since that time the population of the county has increased from 73,000 to 625,000 and urban development has occurred both upstream and downstream from the dam. There are 45 homes and two state highways in the dam breach zone.

Rehabilitation of these and many other dams is not only ensuring the dams remain safe and continue to provide multiple benefits to communities, but also extends the life of the dams for another 100 years.

Sponsors are meeting their responsibilities in the rehabilitation projects by working with landowners, obtaining easements and land rights, and providing thirty-five percent of the cost of the projects. Sponsors have been innovative in obtaining their share of the cost by obtaining money through bonds, county budgets, state park divisions, state appropriations, municipal taxing authority, watershed taxing authority, and in-kind services.

The Need For Rehabilitation
The need for rehabilitation is increasing and will not go away. Like roads, bridges or other infrastructure, the $15 billion infrastructure created by the 2,000 watershed projects must be protected and maintained.

Eight hundred and eighty of the almost 11,000 watershed dams in the nation will need rehabilitating in the next five years at a cost of $566 million. These numbers will continue to increase as the dams get older and more people live downstream from the dams. Current funding authorization expires in 2007.

Challenges
The number of aging dams that will need rehabilitation in the near future continues to increase. Local project sponsors face new liabilities with the aging dams and there are an increasing number of low-hazard dams that are becoming high-hazard dams. Sponsors will face difficulties in obtaining new land rights and easements for rehabilitation projects. And even with 65 percent of the cost being provided by NRCS, many sponsors with a large number of dams will have difficulty in securing their 35 percent of the cost.

Opportunities to Streamline, Improve, and Continue Rehabilitation
The rehabilitation program has been operating for five years and is working well. We believe the program is well designed and has proven to be effective and is meeting the objectives of rehabilitating those high priority dams (ranked according to potential for dam failure, consequences for dam failure, state dam safety agencies recommendations, and rapid implementation).

- The primary challenge for the future is obtaining adequate funding. Authorization for the funding expires in 2007. This is a major concern of the Coalition and watershed sponsors across the nation that are working to obtain bond money and other local financing for their 35 percent of the cost of rehabilitation projects. If Congress does not reauthorize the funding, many sponsors will be left with projects planned and ready to contract without out federal funding. The Coalition recommends that funding be reauthorized at least at the 2007 funding level.

- The annual requests for funding far exceed the appropriated funds. Less than 40 percent of the funding authorized by Congress in the 2002 Farm Bill has been appropriated. All opportunities for funding should be considered, such as the use of CCC funds authorized by Congress in the 2002 Farm Bill, but not yet utilized.

- Selection of projects and accountability must be maintained. The priority system was established to ensure the highest priority projects are funded first and this system needs to be maintained with adequate oversight to ensure all states are following and interpreting the guidelines alike. Continued quality management at the NRCS national and state level is essential.

- Methods should be explored to fund rehabilitation of low hazard dams that do not protect human life, but is critical to protect the downstream floodplain that is important to the community's economic base.

- The federal cost share should be raised (lower the sponsors share) on rehabilitation projects.

- Allow adding specific new purposes to rehabilitation projects (such as water supply and wetland or wildlife habitat improvement) to existing dams approved for rehabilitation using rehabilitation funds at 65% federal cost share rate. This would allow and encourage communities to address other resource needs while protecting human health and safety.

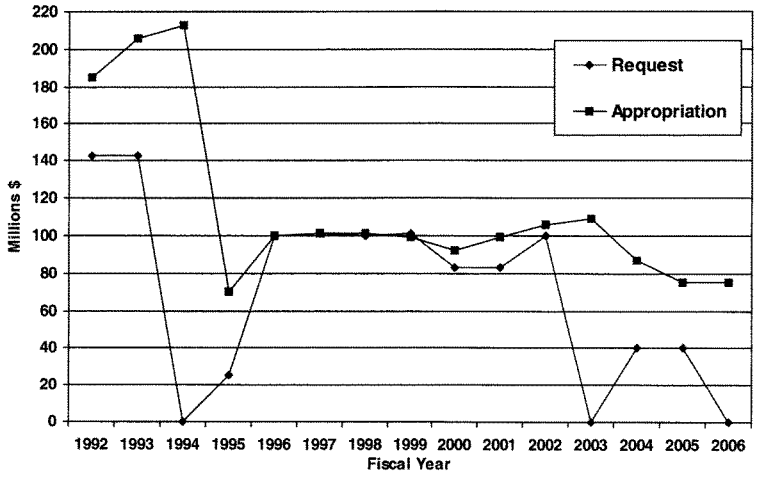
- Streamline the planning process for rehabilitation projects by not requiring the National Economic Development Plan (NED) when population at risk is involved downstream from existing low hazard dams and there are no objections to environmental or social issues. There is similar statute language already included some Corps of Engineer's

environmental restoration programs. This provision should also be considered for new watershed projects that are predominately related to restoration, preservation, or protection of the ecosystem.

Again, we appreciate the sub-committee's invitation to bring our views, concerns and suggestions about the watershed program to this hearing.

Charts and Graphs:

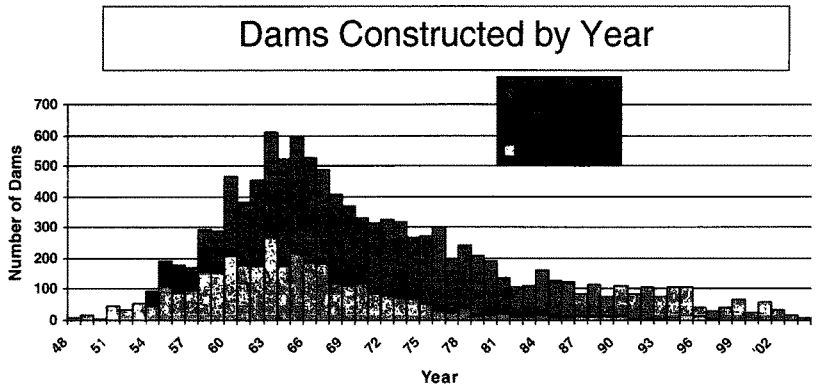
Watershed & Flood Prevention Operations Administration's Budget Request vs. Final Appropriation



Rehabilitation Funding History
(Millions of dollars)

	Discretionary Authorized*	CCC Authorized*	Actual Funding
2003	$45	$45	$29.8
2004	$55	$50	$29.6
2005	$65	$55	$27.5
2006	$75	$60	$31.5
2007	$85	$65	
Total	$325	$275	$118.4

*Funding authorized for rehabilitation in the 2002 Farm Bill.



Annual Watershed Program Benefits*	
Agricultural flood damage reduction	$273 million
Non-agricultural flood damage reduction	$389 million
Agricultural benefits (non-flood)	$331 million
Non-agricultural benefits (non-flood)	$520 million
Total monetary benefits	**$1.5 billion**
Number of bridges benefited	58,238
Number of farms and ranches benefited	176,013
Number of businesses benefited	46,606
Number of public facilities benefited	3,606
Number of homes benefited	607,140
Acres of wetlands created or enhanced	273,562
Acres of upland wildlife habitat created or enhanced	9,102,759
Miles of streams with improved water quality	4,4185
Reduction of annual sediment (tons)	5,8695,895
Tons of animal waste properly disposed	4,096,168
Tons of soil saved from erosion (tons/year)	89,177,859
Water conserved (acre feet/year)	1,806,121

*Figures taken from the Natural Resources Conservation Service Program Operations Information Tracking System (POINTS) database.

STATE ASSOCIATION
OF KANSAS WATERSHEDS

November 18, 2005

Honorable Frank D. Lucas
United States House of Representatives
2342 Rayburn House Office Building
Washington, D.C. 20515

Dear Representative Lucas,

The State Association of Kansas Watersheds and the 85 watershed districts we represent wishes to thank you for putting the hearing on the watershed programs together.

The PL-566 and PL-534 programs have been the most successful locally lead conservation programs in the history of SCS/NRCS. NRCS now advertises the PL-566 projects in Kansas returns $34 million of average annual benefits to the state.

The past 10-15 years have not been the most rewarding times for the program. Reduced funding, increased environmental constraints, and the advent of earmarking of funds has local watershed districts in Kansas wondering what the future holds. With over 200 dams yet to be built in Kansas, many districts are doubtful they will see their remaining dams constructed.

Kansas has several watershed districts waiting for planning from NRCS. Many more potential districts need to get organized and chartered, but what is happening to the existing districts leaves little hope for new projects.

The FY2006 funding or should I say the lack of funding proposed by USDA/NRCS sent a message that the very agency that administers and has direct knowledge of what is yet to be done sees no future in the programs. It was evident the requests from the state NRCS offices went unheard by the national headquarters. National leadership is lacking.

One area that SAKW is trying to get watershed districts to pursue is with non-traditional ways to provide flood control other than dams. In Kansas the protection of agricultural lands is still the backbone of the PL-566 program. The use of floodplain easements and non-structural measures falls on deaf ears when farmers are asked to abandon the most productive areas of their operation so flood damages can be reduced or eliminated.

The politics of earmarking of funds must be curtailed or eliminated in the watershed program. NRCS must be given a chance to prioritize projects and administer funds according to those priorities. NRCS has become a clearinghouse for funds and not the administrator of a program.

As you are very aware I am sure, billions of dollars are earmarked each year for every imaginable purpose. Most of the requests are for a one time financial need or desire and not a part of an on-going sustained program such as the watershed program. To get each and every watershed state to do what is needed seems like an impossible task, but one that will be needed if we are to regain USDA's support of the program.

On a positive side, the past earmarking in excess of appropriated funds has brought to everyone's attention that there still is a need of funding in the program.

Much has been accomplished in the 50-year history of the watershed program. Existing projects silently go on providing the flood reduction benefits they were planned and designed to provide.

Nothing has changed. Farmland still needs to be protected. Roads, bridges, fences, and utilities need to be protected. Water supplies and recreation are in great demand.

The age of a successful program does not mean it has out grown its usefulness. Yes, a need to re-focus and re-dedicate the program to meet future needs of us all is needed.

SAKW truly believes the scheduled watershed program review is a new beginning. The committee members will hear and read both pro and con aspects of the program. SAKW feels confident that the majority of the committee members will support the program and what it has and will mean to rural America.

Herbert R. Graves Jr.
SAKW Executive Director

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Testimony of
John W. Peterson
Past IECA President; Chairman, IECA Government Relations Committee

Presented to the
SUBCOMMITTEE ON CONSERVATION, CREDIT, RURAL DEVELOPMENT AND RESEARCH

of the
COMMITTEE ON AGRICULTURE
United States House of Representatives

December 6th, 2005

MR. CHAIRMAN AND MEMBERS OF THE SUBCOMMITTEE:

I am John Peterson, Chairman of the International Erosion Control Association's (IECA) Government Relations Committee and an IECA Past President. On behalf of IECA's members, President Doug Wimble, our Board, and Executive Director Ben Northcutt, I am pleased to represent IECA today and speak in support of USDA's Watershed Programs managed by the Natural Resources Conservation Service (NRCS). We believe USDA's Small Watershed Program (PL 83-566) and the Flood Prevention Operations Program (PL 78-534) are examples of those rare programs that address our nation's vital natural resources, and do so in a way that provides benefits in excess of costs, at the same time improving the environment. These USDA watershed programs serve as models for the way all federal programs should work. We are pleased that you are holding these important hearings. This discussion is long overdue.

Today I would like to emphasize four aspects of the USDA- NRCS watershed programs for your consideration. They are 1) the programs accomplishments and benefits, 2) funding for the base program and the problems the current use of Congressional "earmarks" is causing, 3) the rehabilitation of older structures, and 4) watershed research and development (R&D). IECA is the world's premier erosion control advocate, and the USDA watershed programs have always emphasized the land treatment or erosion control aspect of watershed plans as the first increment. We support that planning approach.

With the world still recovering from the killer Indian Ocean tsunami in Dec. 2004, the Pakistan and Indian earthquakes this year, and our own devastating hurricanes Katrina and Rita recently, protecting people and property from natural disasters has become a much higher priority. Here in the U.S. we only have to look back at the 1993 great Midwest floods to see what a difference completed watershed projects can make in times of disaster. In Iowa for instance, if one were to look at a 1993 great Midwest flood damage map of the state, and also see where the completed projects were, those were the areas that suffered little damage and required no emergency disaster

relief. Ironically, it was that same 1993 great Midwest flood that caused the funding for the watershed programs to be reduced. As Congress provided supplemental appropriations to deal with flood recovery, much of the money came at the expense of the watershed programs, and it has never been restored. That needs to be corrected.

Watershed Program Accomplishments and Benefits:

That the watershed is the logical unit for dealing with natural resource problems has long been recognized. PL 83-566 offers a complete watershed management approach, and should have a prominent place in our current federal water policy emphasizing watersheds and total resource management based planning. Proper watershed management improves water quality and the environment. Why should the federal government be involved with these watershed programs?

- They are programs whose objectives are the sustaining of our nation's precious natural resources for generations to come.
- They are not federal, but federally assisted, locally sponsored and owned. They do not represent the continued growth of the federal government.
- They are locally initiated and driven. Decisions are made by people affected, and respect private property rights.
- They share costs between the federal government and local people. Local sponsors pay between 30 - 40% of the total costs of PL-566 projects.
- They produce net benefits to society. The most recent program evaluation demonstrated the actual ratio of benefits to costs was approximately 2.2:1. The actual adjusted economic benefits exceeded the planned benefits by 34%. How many other federal programs do so well? A current program evaluation would be helpful we believe.
- They consider and enhance environmental values. Projects are subject to the discipline of being planned following the National Environmental Policy Act (NEPA), and the federal "Principles and Guidelines" for land and water projects. That is public scrutiny!
- They are flexible programs that can adapt to changing needs and priorities. Objectives that can be addressed are flood damage reduction, watershed protection (erosion and sediment control), water quality improvement, rural water supply, water conservation, fish and wildlife habitat improvement, recreation, irrigation and water management, etc. That is flexibility emphasizing multiple uses.
- They are programs that encourage all citizens to participate.
- They can address the needs of low income and minority communities.
- They are targeted to address the most serious resource problems in the watershed.
- They are projects whose boundaries often cross state lines.
- And best of all - they are programs the people like!

In 2005 the monetary benefits alone that we realized from completed watershed projects were substantial. Erosion control, animal waste management, water conservation, water quality improvement, and improved irrigation efficiency benefits were estimated at $331,800,000. Benefits associated with recreation, fish and wildlife habitat improvement, rural water supply, water quality improvement, and municipal and industrial water supply were $529,000,000. Agricultural flood damage reduction benefits were $274,000,000. Finally, non agricultural flood damage reduction benefits, damages prevented to roads, bridges, homes, and other structures in the floodplain was $390,000,000. That is an annual national benefit of $1,524,800,000.

Program funding and the effects of Congressional "earmarks."

American people need to understand these federal funds are only a part of the total that is committed to this vital national, conservation purpose. The local project sponsors in these "federally assisted" endeavors also have a tremendous investment. Congress increasingly talks of wanting to fund those investments in our nation's infrastructure that will sustain us in the future. Yet past budgets have regularly cut funding for the best of these programs. This makes absolutely no sense! We can't seem to invest in and maintain our vital watershed infrastructure. Isn't water quality and watershed management a national priority? The International Erosion Control Association believes it is. In the last decade or so, local sponsors of projects that have been planned with federal – NRCS - assistance have been requesting the federal government to pay its share, about $200 million annually. In FY 2006 the federal government provided only $75 million. The unwillingness of the federal government to come up with its agreed-to share of watershed funds for many years now, has resulted in a total unfunded federal commitment of over $1.8 billion. As local watershed sponsors realize that USDA and the federal government are not coming up with their promised share, they are losing faith and increasingly asking their elected representatives to put Congressional "earmarks" in appropriations bills. Congress is doing more and more earmarking for specific projects. In recent years the USDA appropriations for the watershed program has only covered 80% of the earmarks. Not only were the earmarks not all funded, but any project not earmarked wasn't even considered. **A properly funded program would require no earmarks and allow USDA to manage according to national priorities.** I have included the unfunded federal commitment by state as appendix 1.

Rehabilitation of older watershed structures:

Chairman Lucas's hard work from 1996 – 2000, resulted in the passage of PL 106-472, the small Watershed Rehabilitation Act of 2000. Watershed sponsors throughout the country are indebted to him and his other colleagues for their efforts. The law has started to make a difference. However, the issue of the current condition of those improvements constructed over the last sixty years with these watershed programs is still a matter of great concern. Many of the 11,000 plus dams that NRCS assisted sponsors build throughout the United States, no longer meet current dam safety standards largely as a result of development, and need to be upgraded to current standards. A USDA study published in 1991 estimated that in the next ten years, $590 million would be needed to protect the installed works. Of that amount, $100 million would come from local sponsors. NRCS also conducted a more recent survey, and in just 22 states, about $540 million in rehabilitation needs were identified. We now have the authorization and some appropriations, thanks to Representative Lucas and others, but are still not meeting needs. If we don't start to pay attention to our rural infrastructure needs, the ultimate cost to society will only

increase, and project benefits will be lost. This is a serious national issue. Since most of these structures were constructed in the 1950's, 60's, and 70's, and were originally designed with a 50-year life, it is apparent we need to look at their current condition. If we do the rehabilitation work to bring these older structures up to current health and safety standards, they will continue to provide benefits far into the future. **The federal share needed by 2009 is $565 million.**

Watershed Research and Development.

There is a research and development (R&D) need as we get the structural rehabilitation process more fully underway. In USDA, that R&D work is undertaken by the Agricultural Research Service (ARS). The work would address the evaluation of upstream and downstream changes to the stream channel systems in cases of decommissioning, evaluation of the water quality impact of stored sediment releases, and the evaluation of impacts of the loss of flood protection, among other things. **ARS needs to get back on track collecting needed basic watershed information.** That activity has been neglected in recent years because of the lack of funding.

Summary.

With the "downsizing" the NRCS has experienced, we would be remiss if we did not express some concern as to their ability to provide adequate technical support for these watershed programs. NRCS technical staff has been significantly reduced and budget constraints have not allowed that expertise to be replaced. Traditional fields of engineering and economics are but two examples. We see many states where NRCS capability to support their responsibilities is seriously diminished. This is a disturbing trend that needs to be halted.

The USDA watershed program(s) are some of the best soil and water conservation programs ever developed by any country in the world. The World Association of Soil and Water Conservation cite them on their website as an example for other countries. It is a shame to see them languish here when the need is so great. Yet languish is what is happening. I hope this hearing reinforces these programs importance and convinces both Congress and this and future administrations to correct this situation. We all realize federal spending is of concern. We also constantly talk of national and homeland security having increased priority. Conserving our precious natural, soil and water resources is a vital component of national security. It is a matter of priority, and these programs deserve much higher priority than they are receiving. The USDA watershed programs provide the incentive for local people to leverage other state and local funds for watershed enhancement projects at an incredibly low price per dollar of federal spending. **The federal government should provide an annual federal share of $200 million annually to keep faith with sponsors and enhance national and homeland security. Earmarking should be stopped, and the federal share of rehabilitation should be $50 million annually until we catch up with needs. Research & development needs attention which means funding.**

Thank you for allowing the International Erosion Control Association this opportunity.

Respectfully submitted by:
John W. Peterson
Past President, Chairman, Government Relations Committee
International Erosion Control Association
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Burke, VA 22015-3431 USA
Ph: 703-455-4387 & 6886. Fax: 703-455-6888, Cell. 703-505-1782, Email: jwpeterson@cox.net

Appendix.1.

Unfunded Federal Commitments to Authorized Watershed Projects

State Name	PL-566 ($)	PL-534 ($)	Total ($)
Alaska	$5,951,600		$5,951,600
Alabama	11,274,000		11,274,000
Arkansas	53,352,000		53,352,000
Arizona	24,427,419		24,427,419
California	35,185,000		35,185,000
Colorado	6,240,000		6,240,000
Connecticut	22,929,000		22,929,000
Delaware	0		0
Florida	1,238,720		1,238,720
Georgia	5,209,772		5,209,772
Hawaii	36,732,000		36,732,000
Iowa	43,236,500	3,000,000	46,236,500
Idaho	12,586,255		12,586,255
Illinois	82,700,000		82,700,000
Indiana	8,008,240		8,008,240
Kansas	69,031,425		69,031,425
Kentucky	25,544,000		25,544,000
Louisiana	8,100,000		8,100,000
Massachusetts	475,300		475,300
Maryland	450,000		450,000
Maine	1,050,000		1,050,000
Michigan	1,875,375		1,875,375
Minnesota	2,477,400		2,477,400
Missouri	79,485,000		79,485,000
Mississippi	17,247,400	228,513,550	40,098,755
Montana	12,260,000		12,260,000
North Carolina	16,674,838		16,674,838
North Dakota	14,093,000		14,093,000
Nebraska	5,535,900		5,535,900
New Hampshire	0		0
New Jersey	0		0
New Mexico	77,462,000		77,462,000
Nevada	0		0
New York	3,612,704		3,612,704
Ohio	22,014,000		22,014,000
Oklahoma	219,851,000	17,157,000	237,008,000
Oregon	8,713,796		8,713,796
Pennsylvania	20,945,500		20,945,500
Pacific Basin	6,013,000		6,013,000
Puerto Rico	0		0
South Carolina	1,022,000		1,022,000

State Name	PL-566 ($)	PL-534 ($)	Total ($)
South Dakota	50,000		50,000
Tennessee	33,260,030		33,260,030
Texas	169,770,500	267,047,000	436,817,500
Utah	390,860		390,860
Virginia	61,206,773	16,626,633	77,833,406
Vermont	5,298,531		5,298,531
Washington	2,900,000		2,900,000
Wisconsin	0		0
West Virginia	21,388,000	54,576,022	75,964,022
Wyoming	7,520,955		7,520,955
Total	**$1,264,759,793**	**$586,920,205**	**$1,851,679,998**

International **Erosion Control** Association

3001 S. Lincoln Avenue, Suite A, Steamboat Springs, CO 80487
phone: 970 879 3010 fax: 970 879 8563 email: ecinfo@ieca.org web: www.ieca.org

Disclosure statement of the amount and source of any Federal grant or cooperative/contributive agreement toward a joint International Erosion Control (IECA)/Federal agency project.
[Pursuant to clause 2(g)(4) of the Rules of the House of Representatives]

Fiscal year	Source	Amount ($)	Joint Activity or Project
2005	None	- 0 -	n/a
2004	None	- 0 -	n/a
2003	None	- 0 -	n/a

Flood Control District
of Maricopa County

Board of Directors
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November 29, 2005

House Agriculture Subcommittee on Conservation, Credit, Rural Development and Research
Frank D. Lucas, Chairman
United States House of Representatives
2342 Rayburn House Office Building
Washington D.C. 20515

RE: Testimony on Oversight Hearing on NRCS Watershed Program

Dear Chairman Lucas:

Thank you for considering an oversight hearing on the NRCS Watershed Program. The hearing will provide the Congress, the Administration and the public a needed opportunity to give the program a good look for successes and challenges. Through the process duplicate programs can be combined, less effective activities can be improved and successful programs strengthened.

The Flood Control District of Maricopa County maintains and operates 22 dams that provide flood protection to Maricopa County, Arizona residents. Sixteen of these dams were originally constructed through Watershed Programs. The earliest were constructed in 1954 with the last being completed in 1988. Most were constructed originally to protect agricultural properties and activities, but now provide flood protection to the growing population in the Phoenix metropolitan area. Some of the structures have exceeded their design life of fifty years and many are becoming

The [illegible] of urbanization, aging infrastructure and flood protection, have led to the determination that 13 of the District operated dams (12 are NRCS sponsored) will require rehabilitation or replacement over the next 25 years at an estimated total cost of $250 million. The District has a proactive dam safety program and is aggressively pursuing the rehabilitation of these dams. We have committed to provide the local share of the costs. Construction is underway on the rehabilitation of White Tanks FRS No. 5 and Spook Hill FRS and feasibility studies are in process on two other structures. The District is funding the full cost of the rehabilitation to Spook Hill FRS. We recommend that the Watershed Dam Rehabilitation

[illegible] This program [illegible] [illegible]

Yours truly,

Timothy S. Phillips, P.E.
Chief Engineer and General Manager

Enclosure: District Quarterly Report
[illegible]

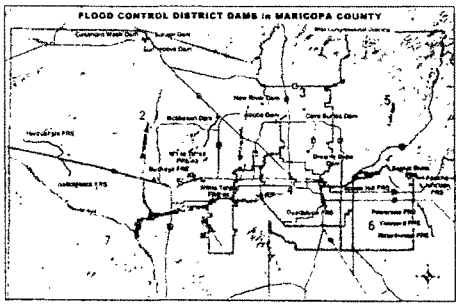
2801 West Durango Street
Phoenix, Arizona 85009-6399
(602) 506-1501

Flood Control District of Maricopa County

Quarterly Dam Safety Report

Issue #2 November 2005

This issue of the quarterly Flood Control District of Maricopa County, Dam News provides information and updates on the District's efforts to obtain federal funding assistance for dam rehabilitation as well as updates on individual dam rehabilitation projects.



IN THIS ISSUE:

- Update on funding for National Dam Rehabilitation Program
- Construction has begun on White Tanks FRS #3 Rehabilitation Project.
- Construction Work on the McMicken Dam Seepage Risk Zone Remediation Project is nearing completion
- Federal Funding for the Tribby Wash (McMicken Dam) Feasibility Study is not obtained
- Planning Studies are underway for the Buckeye FRS#1 Dam Rehabilitation Project and the White Tanks FRS#4 Rehabilitation and Dam Project
- Rehabilitation of Sunk Hill Dam is planned by [illegible]

protection have led to require rehabilitation

National Dam Rehabilitation Program

Watershed Rehabilitation Program, authorized by Congress in 2000, applies to District's NRCS dams,...

As reported in the last report, the President's proposed budget for 2006 included only $15.1 million for the NRCS rehabilitation of aging dams program. The budget the last two years has been $29.8 million and $27.5 million, respectively. At press time, indications are that the final budget amount for the Rehabilitation program will be $31.5 million. The NRCS has been operating under a continuing resolution budget.

The proposed Corps of Engineers budget does not include funding for the Tribby Wash Feasibility Study (McMicken Dam).

District Dam Rehabilitation Projects

White Tanks FRS#3 Dam Rehabilitation Project

White Tanks FRS#3, located east of the White Tank Mountains and just north of Goodyear, has dam safety deficiencies that require correction. The District and the Natural Resources Conservation Service (NRCS) signed a cost sharing agreement (35% District/ 65% NRCS) for the overall rehabilitation of the dam under authority of the Watershed Protection and Flood Prevention Act PL 83 - 566. NRCS has obligated a total of $9.0 million to date. Phase I construction of the White Tanks FRS#3 Dam Rehabilitation has been initiated.

McMicken Dam Fissure Risk Zone Remediation (FRZR) Project

McMicken Dam, a flood control dam operated by the District is located in Surprise and east of the White Tank Mountains. It has required remedial measures to address the earth fissures located in close proximity to the south end of the dam potentially threatening the structural integrity of the dam. Construction of the McMicken Dam FRZR Project began in March 2005 at a cost of approximately $3.5 million. The project included the removal of approximately 4,000 feet of dam located within a fissure risk zone and the construction of a new 1,400 foot soil cement dam segment. The importance of addressing this issue in a timely manner did not allow sufficient time for federal funding to be obtained and the District is therefore funding 100% of this project. Construction is substantially complete with landscaping and installation of instrumentation in progress.

McMicken Dam Rehabilitation Project

The District has determined that McMicken Dam will require overall rehabilitation or replacement. In September 2004 the District entered into a cost share agreement with the U.S. Army Corps of Engineers for a feasibility study for the rehabilitation or replacement of the dam, known as the Trilby Wash Feasibility Study. The cost share for the study was to be 50% District/50% Corps, however, federal funding for the study has not been authorized by Congress. The District is continuing its efforts to investigate and address dam safety and environmental issues.

Buckeye FRS No.1 Rehabilitation Project

Dam safety deficiencies at Buckeye FRS # 1 include embankment cracking and insufficient hydraulic capacity. This District operated flood control dam is located in Buckeye, just north of Interstate 10. The District applied to NRCS in May 2004 for federal funding assistance through the National Watershed Protection and Flood Prevention Act (PL 83 - 566). The cost is estimated at $21 million. The 2-year planning study initiated by the District in October 2004 is exploring alternatives and developing an NRCS work plan through stakeholder and public involvement meetings. The work plan will define the selected alternative in preparation for final design. Hydrologic and hydraulic modeling is also underway.

White Tanks FRS#4 Rehabilitation and Channels Project

White Tanks FRS #4 has dam safety deficiencies including embankment cracking and deteriorated outlet pipes that require correction. The District also applied to NRCS in May 2004 for federal funding assistance through the National Watershed Protection and Flood Prevention Act (PL 83 - 566). The cost is estimated to be $14.6 million. The 2-year planning study was initiated by the District in October 2004 and will explore alternatives and develop an NRCS work plan through stakeholder and public involvement meetings. The work plan will define the selected alternative in preparation for final design. Preliminary design of an outlet channel has begun.

Spook Hill FRS Rehabilitation Project

Spook Hill FRS, a flood control dam operated and maintained by the District and located in Mesa, has dam safety deficiencies that require correction. As a part of the construction of the Loop 202 freeway, the Arizona Department of Transportation has agreed to include rehabilitation of Spook Hill FRS. The project will include the construction of a central filter zone, repair of embankment erosion, and construction of a new principal spillway or outlet. The rehabilitation project is expected to begin in January 2006 at a cost of approximately $3 million to be funded solely by the District.

AMERICAN SOCIETY OF CIVIL ENGINEERS

The American Society of Civil Engineers is pleased to submit this statement in support of the USDA's Watershed Programs administered by the Natural Resources Conservation Service (NRCS).

Mr. Chairman, we thank you, on behalf of the millions of Americans that live below the Nation's watershed dams, for your tremendous efforts that resulted in passage of the Small Watershed Rehabilitation Act of 2000 (PL 106–472) and your steadfast support for full funding of this critical public safety program.

ASCE, founded in 1852, is the country's oldest national civil engineering organization. It represents more than 139,000 civil engineers in private practice, government, industry, and academia who are dedicated to the advancement of the science and profession of civil engineering.

Dams provide tremendous benefits, including water supply for drinking, irrigation and industrial uses; flood control; hydroelectric power; recreation; and navigation. However, dams also represent one of the greatest risks to public safety, local and regional economies and the environment. Historically, some of the largest disasters in the United States have resulted from dam failures. In 1889, 2,209 lives were lost when the South Fork Dam failed above Johnstown, Pennsylvania. The 1928 St. Francis Dam failure killed 450. During the 1970's, the failures of the Buffalo Creek Dam in West Virginia, Teton Dam in Idaho and the Toccoa Falls Dam in Georgia collectively cost 175 lives and more than $1 billion in losses. Such dam failures as Silver Lake Dam in Michigan in 2003 ($100 million in damages and economic losses of $1 million per day) and the Big Bay Lake Dam in Mississippi in March 2004 (100 homes destroyed) are current reminders of the potential consequences of unsafe dams.

CURRENT STATE OF THE NATION'S DAMS

The ASCE 2005 Report Card for America's Infrastructure graded the Nation's dams a "D".[1]

Since 1998, the number of unsafe dams has risen by 33 percent to more than 3,500. While federally owned dams are in good condition, and there have been modest gains in repair, the number of dams identified as unsafe is increasing at a faster rate than those being repaired.

In the past two years, more than 67 dam incidents, including 29 dam failures, were reported to the National Performance of Dams program, which collects and archives information on dam performance as reported by state and Federal regulatory agencies and dam owners. Dam incidents are such events as large floods, earthquakes or inspections that alert dam safety engineers to deficiencies that threaten the safety of a dam. Due to limited state staff, many incidents are not reported; therefore, the actual number of incidents is likely to be much greater.

There is an enormous need for funding to rehabilitate the Nation's dam. The Association of State Dam Safety Officials (ASDSO) completed a study in 2002 estimating that $36 billion is needed to repair the Nation's aging dams.[2]

The study identified a $10.1 billion demand for the Nation's critical dams, those dams whose failure will cause loss of life.

SMALL WATERSHED DAMS

The Watershed Program has provided enormous benefits through construction of dams throughout the United States that provide for flood control, irrigation, water supply, recreation, wildlife habitat and protection of our valuable water resources. Watershed projects are planned and implemented by local community groups who serve as project sponsors, with assistance from the USDA Natural Resources Conservation Service. The projects are authorized and funded through the Watershed Protection and Flood Prevention Act of 1954 (Public Law 83–566) and the Flood Control Act of 1944 (Public Law 78–534).

There are over 11,000 dams constructed in 47 states through the very successful Watershed Program since the 1940's. However, these dams are exceeding their in-

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1 ASCE 2005 Report Card for America's Infrastructure, www.asce.org/reportcard In each successive report the number of unsafe and deficient dams as well as the needed infrastructure investment increased. The dam rehabilitation funding through the Small Watershed Rehabilitation Act of 2000 is the only national program which provides financial assistance for non-Federal dams. While there is a huge national need, ASCE applauds and supports your steadfast work toward repairing these watershed dams and preventing a potential deadly dam failure.

2 Association of State Dam Safety Officials, The Cost of Rehabilitating Our Nation's Dams, 2002. *www.damsafety.org*

tended design life (typically 50 years) with 457 currently beyond their design life and over 4,400 expected to exceed the design life in ten years. These structures, which have provided vital benefits for so many years, now threaten the lives, farmland and public infrastructure they were intended to protect.

Many watershed dams do not meet current dam safety standard practices, or state dam safety regulations—at times as a result of circumstances beyond the control of the local sponsors. Downstream development below watershed dams often occurs long after construction, dramatically changing the consequences of a dam failure to include loss of life and therefore the dam must meet more stringent safety criteria commensurate with the new predicted results of a failure. Dams constructed as "low hazard potential" (failure will not cause loss of life) which experience uncontrolled development downstream within the dam failure flood zone become "high hazard potential" (failure will cause loss of life), requiring significant rehabilitation.

In addition, advances in engineering and scientific knowledge of flooding, earthquakes and dam failures have changed the dam safety criteria, often requiring dams to withstand larger events such as floods or earthquakes which were not incorporated into the design standards 50 years ago. Therefore, many diligent, responsible and well-intentioned local watershed sponsors have watershed dams that do not meet safety criteria and are faced with the burden of necessary repairs which are far beyond their ability to fund.

When the national watershed program started in the 1940's, there were essentially no future funding mechanisms that would provide for major repair and rehabilitation as the dams reached the end of their design life or did not meet dam safety criteria. Many watershed dams were constructed before the tragic dam failures in the 1970's that caused Congress, Federal agencies and states to establish dam safety programs and design criteria. The recent dam failures in Michigan, Mississippi and the horrific levee failures in New Orleans are frightening reminders of the consequences of dam failures.

An alarming and growing number of watershed program dams, constructed with the technical and financial assistance of the Federal Government through USDA, do not meet dam safety regulations and are potential failures and "unfunded liabilities." In many cases the dams no longer provide the flood protection that the local communities rely on and assume still exists. Therefore, ASCE respectfully urges Congress to recognize the Federal Government's long standing history with this program as well as the Federal obligation, and accelerate the rehabilitation of the USDA watershed program dams.

The expectation of people who live below these dams and rely on flood protection benefits is that the dam is safe and that the benefits will continue. Mr. Chairman, ASCE asks you and your fellow committee members to continue your efforts on behalf of dam rehabilitation and fulfill your constituents expectations of safety.

Mr. Chairman, ASCE respectfully urges this Subcommittee to consider these recommendations which address dam safety needs of the USDA watershed program:

1. Increase the appropriation for rehabilitating the watershed dams up to the full authorization levels to accelerate needed dam rehabilitation;
2. Authorize funding to assist local communities with preparation of Emergency Action Plans;
3. Streamline the design, review and construction processes within USDA NRCS; and
4. Provide for future authorization to continue the watershed rehabilitation program beyond fiscal year 2007.

ASCE looks forward to working with the subcommittee staff in support of the watershed rehabilitation program.

STATEMENT OF DAN LOWRANCE

I am Dan Lowrance, president of the Oklahoma Association of Conservation Districts (OACD) and the Past Chairman of the National Watershed Coalition. I also am currently serving as the Chairman of the National Association of Conservation Districts (NACD) Water Resources Committee. On behalf of OACD, our local Conservation Districts, our directors, employees, associate members and the thousands of Oklahoma land-owner cooperators, I want to take this opportunity to submit testimony in support of the USDA's Watershed Programs managed by the Natural Resources Conservation Service (NRCS). We at OACD believe that the Flood Prevention Operations Program (P.L. 78–534) and the Small Watershed Program (P.L. 83–566) have been extremely successful and that they continue to be beneficial to our State.

One need only look at the history of Oklahoma to see the ravages caused to our State by the flooding that occurred prior to the watershed program. Before the construction of the 2,102 flood control structures in our State, Oklahoma was annually inundated with flash flooding. Newspaper accounts from 1900 forward are full of accounts of the cost to human life and the destruction of property caused annually by these cataclysms. However, with the passage of Public Law 78–534 the Flood Control Act of 1944, this situation began to change. Local Conservation Districts in Oklahoma agreed to sponsor flood control projects and began to request feasibility studies for watershed plans. Soon ground was broken and projects were underway throughout our State, including the first flood control dam built in the Nation, Cloud Creek Watershed Dam No. 1 near Cordell in Washita County. Oklahoma is proud to be the home of the first fully completed Watershed Project in the United States, the Sandstone Creek Watershed Project located in the Home County of Chairman Lucas, Roger Mills County. Today, Oklahoma has more flood control structures than any other State in the Union. These "Silent Sentinels" continue to stand guard in our countryside, protecting our citizens from the devastation of life and property that results from flooding. Every year these structures provide a savings of $71 million to our State in saved property and continued land use. Clearly this infrastructure has been and continues to be a blessing for the citizens of Oklahoma.

Unfortunately, like any other piece of man-made infrastructure, these flood control dams must be maintained and in time rehabilitated. As you are well aware, the vast majority of the flood control dams built in the 1940's, 1950's and 1960's were constructed with a life expectancy of 50 years. It takes very simple math to deduce that the time has come for a major effort to be made in rehabilitating these structures. Currently, Oklahoma has 132 dams past their 50 year design life. Over the course of the next 10 years, we will see 1,100 more structures reach this dangerous road mark. Oklahoma has today rehabilitated over 28 structures, more than any other State in the country, but clearly more must be done. We have all recently witnessed what happened in New Orleans when infrastructure dedicated to water impoundment was allowed to fall into disrepair. Clearly we want to ensure that these "Silent Sentinels" remain on watch and remain silent because we are all too well aware of the noise they could make. We want to applauded Chairman Lucas and the other members of the subcommittee for their foresight in passing language in the year 2000 to provide matching funds from the Federal Government to help States begin the process of rehabilitating these aging dams. We also want to convey our appreciation for the continued funding of this program and for the increase this program received for 2006. Clearly we have a long way to go on this issue.

That being said, however, we would remind the subcommittee that the watershed program faces other severe challenges. Foremost among these is the concern of the current back log of new construction projects. Today in Oklahoma 329 dams have been planned but not constructed. For this reason, many watershed projects are not achieving the full benefits originally planned since they are only partially completed. Many communities still suffer the affects of flooding in our State due to the lack of dollars to get these projects off the drawing board. In fact, many if not most local project sponsors have completed their responsibilities by obtaining land rights, permits or taking other actions necessary to begin these projects but due to the shortage of funds and the continued practice of earmarking structures they have yet to receive the dollars necessary to begin construction. This practice of earmarking these limited dollars for new construction has resulted in countless millions of dollars in preventable flood damage due simply to the fact that funds are not spent in the manner of "worst first" but are instead placed in locations based on arbitrary political considerations. We would ask that this practice change and that these dollars be spent more equitably on a needs evaluation and planning basis.

Next we would ask for continued assistance for operation and maintenance of these structures. The Conservation Districts of Oklahoma have taken on the responsibility of maintaining this $2 billion-plus infrastructure. With the help of our State partner, the Oklahoma Conservation Commission we maintain and operate these facilities on very limited budgets. Our districts have no taxing authority so are therefore highly dependant on State and Federal funds. The technical assistance provided to us from NRCS to help maintain, repair and operate these 2 thousand plus dams is absolutely essential. We would ask that the Sub-committee keep this fact in mind while they consider not only the Watershed program, but all NRCS operations.

Finally we would ask that you consider the loss of technical capacity and its affect on rehabilitation projects. Currently NRCS is losing experience and institutional knowledge as their senior watershed employees retire. Current budget levels have not taken into consideration the cost of replacing these employees. We are not aware of a contingency plan in place for the training of new employees by these more expe-

rienced individuals before they leave government service. We would ask that some mechanism be provided to allow a stable funding base for NRCS to assure a experienced and well trained staff.

Thank you for allowing me to express these concerns to you on behalf of the Oklahoma Association of Conservation Districts. I want to again thank you for your service to the country and applaud your attention to this matter. By holding this and other hearings on this important issue I am sure we can address the challenges facing the watershed program in a manner that will ensure its continued success well into the future.

Thank you again for allowing myself and OACD this opportunity.