

# United States Senate

WASHINGTON, DC 20510

September 27, 2016

The Honorable Jo Ellen Darcy  
Assistant Secretary of the Army (Civil Works)  
108 Army Pentagon  
Washington, D.C. 20310-0108

Lieutenant General Todd T. Semonite  
Commanding General and Chief of Engineers  
U.S. Army Corps of Engineers  
441 G Street, N.W.  
Washington, D.C. 20314-1000

Dear Secretary Darcy and General Semonite:

Once again, eastern Iowa is experiencing major flooding, including the community of Cedar Rapids. As you know, this is the second major flood event in less than a decade and the community remains frustrated about the lack of urgency from the Army Corps of Engineers (Corps) to complete important flood mitigation projects for the region.

In 2014, the Water Resources Reform and Development Act authorized approximately \$73 million in funding for the Cedar River project for flood risk management. To date, no construction funds for this project have been budgeted. The community has relied on federal disaster assistance and state and local dollars to rebuild the downtown area and improve infrastructure. Yet assistance from the Corps remains vital to complete necessary flood mitigation projects.

According to the recent Statement of Administration Policy issued by the Office of Management and Budget (OMB) on the House Water Resources Development Act of 2016, H.R. 5303, the Administration believes that: "New project and study authorizations should be limited to those most likely to provide high economic or environmental returns to the Nation *or address a significant risk to public safety* within the Corps' three main mission areas." If that is the case, can you please explain to us why the Army and OMB ignore public safety when deciding what projects to include in the President's budget? For example, in E.C. 11-2-210, the USACE Civil Works Direct Program Development Policy Guidance for Fiscal Year 2018 (guidance for the development of the Corps' FY 2018 budget) the Corps is asked if a new start recommendation is based on national economic development benefits or environmental restoration and protection benefits – there is no question about safety. Moreover, it is our understanding that for new starts the threshold benefit to cost ratio is arbitrarily set by OMB and may differ from year to year. For example, in FY 2010 the benefit to cost ratio was set at 3.2 to 1 for new starts. In the Corps FY 2016 budget request, there were only two new construction starts proposed, one had a benefit to cost ratio of 3.5 to 1. The other did not require economic justification because it was an ecosystem restoration project. In the Corps' FY 2017 budget request there was only one new construction start – a fish passage project that did not require economic justification. Nowhere do we see any consideration of public safety in making new start construction decisions for flood damage reduction projects.

As you know, the economic benefits of flood control projects are based on the value of the property that is protected. If this is the only metric used, the Corps and the Administration consider building beaches in front of multi-million dollar oceanfront homes to be a higher priority than protecting the people of Cedar Rapids, Iowa (the second most populous city in the state).

According to the January 2011 report of the Chief of Engineers, the benefit to cost ratio for the Cedar Rapids project is 1.2 to 1 and the project will have net annual benefits of about \$1,000,000. This benefit

to cost ratio does not take into account human impacts like public safety – it only reflects the fact that property has a lower value in smaller communities in the Midwest. If projects are only viewed through the narrow lens of economic benefit to cost ratios, communities like Cedar Rapids in less populous states will likely never receive federal assistance and the high level of expertise from the Corps. We strongly urge the Corps to address the negative impact that its budget development policies have on these types of communities.

Recently, the Senate passed the Water Resources Development Act of 2016 (WRDA). Included in this legislation were two provisions that we wish to bring to your attention. In section 3005 of Senate WRDA 2016 is a provision that calls on the Corps to prioritize the completion of the Cedar River flood mitigation project. It is important to note that in the last two years, Congress has felt this project to be so imperative that it has been referenced in two WRDA bills, one which is now law, and the other was passed by the Senate on September 15, 2016.

The second provision we would like to bring to your attention is a study that we requested to be completed by the Government Accountability Office (GAO). This study would examine the current methodologies of the benefit to cost ratios and ask GAO to determine among other things, whether the value of property for which damage would be prevented as a result of a flood risk management project is the best measurement for the primary input in benefit-cost calculations for flood risk management projects.

With all due respect, it is no longer sufficient to say that your hands are tied and that nothing short of a congressional earmark can help communities like Cedar Rapids that have lower property values. You have some discretion to help and have simply made the decision to forego that assistance even though the community endured a 500-year flood event in 2008, worked with the Corps to develop a project to address that flood risk, and worked with Congress to get it authorized. Due to your refusal to budget for this project, Cedar Rapids is now facing another major flood event without the needed levee improvements.

We cannot emphasize enough that the current events are the worst fear for city officials and all those who live and work in the community. They have been advocating for assistance from the Corps for the last eight years to prevent the very disaster situation that has transpired. We respectfully ask you to do everything in your power to help this community build essential infrastructure to prevent another event like this from occurring.

Sincerely,

  
Chuck Grassley  
United States Senator

  
Joni K. Ernst  
United States Senator