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Congress of the United States

House of Representatives

Washington, DC 20515-0101

December 13, 2001

COMMITTEE ON
APPROPRIATIONS

Subcommittees:

CHAIRMAN
Energy and Water
Development

Foreign Operations,
Export Financing and
Related Programs

Transportation

ASSISTANT WHIP

The President
The White House
Washington, DC 20500

Dear Mr. President:

The purpose of this letter is to respectfully draw your attention to the vital need for an increase in the fiscal year 2003 budget for the civil works program of the U.S. Army Corps of Engineers. Such an increase is necessary to: arrest erosion in the capabilities of the nation's premier engineering organization, which were ably demonstrated following the tragic events of September 11th; secure our competitiveness in international markets with an appropriate investment in harbors and waterways; and protect our citizens from the ravages of floods, which not only have the potential to take lives but also disrupt the nation's economy.

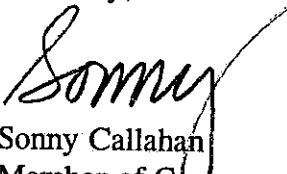
I understand the unusual circumstances surrounding the presidential transition did not give you and your Office of Management and Budget the opportunity to prepare a fully vetted, independent budget for the Corps of Engineers civil works program for fiscal year 2002. Accordingly, I believe the amount requested, \$3.9 billion, was more of a reflection of the previous administration's priorities than yours. At that level, it would have been necessary for the Corps, in some cases, to cancel contracts and terminate ongoing projects. The amount is also insufficient for projects to progress on their most efficient schedules, resulting in increased costs and the loss of \$5.8 billion in benefits, according to the Corps of Engineers.

Fortunately, through the appropriations process, we were able to restore the Corps' budget to about \$4.5 billion, near the fiscal year 2001 level. However, even that amount is insufficient for projects to proceed at their most efficient pace. For example, the Corps could have used over \$60 million to accelerate work to deepen the Houston-Galveston ship channels, which are vital to the economy of Texas and the nation. However, we were only able to provide about \$34 million, \$5 million above the budget request. I would also point out increased funding for the Corps' civil works program would provide a much-needed stimulus to the economy. About 99% of the funds we appropriate for the Corps construction program go directly to private contractors, creating thousands of jobs. To sustain a competent civil works program in fiscal year 2003, it will be critical for the administration to express its support of, and confidence in, the Corps of Engineers with a more realistic and reasonable budget request. To that end I believe the administration would be well advised to submit a civil works budget request of not less than \$5 billion.

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Mr. President, I appreciate your personal attention to this extremely important issue, which impacts the domestic economy and our national security. I also offer my best wishes for your continued success in these difficult times. Please do not hesitate to call on me whenever I might be of assistance to you and your administration. With continued best regards, I remain

Sincerely,



Sonny Callahan
Member of Congress