

**GEORGE S. DUNLOP
PRINCIPAL DEPUTY ASSISTANT SECRETARY OF THE ARMY
FOR
CIVIL WORKS
DEPARTMENT OF THE ARMY**

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Good morning. I am very pleased to be here this morning to speak to you about our program and the activities we are involved in that support the goals of the U.S. Coral Reef Task Force. The Department of the Army is responsible to the President for policies and oversight of the activities of the Army Corps of Engineers. The Corps operates more than 600 existing water resources projects (e.g., levees, reservoirs, navigation channels), assists non-Federal sponsors with the implementation of new water resources projects, and evaluates applications for Department of the Army Permits for activities in [navigable] waters of the U.S., including wetlands, under section 404 of the Clean Water Act and section 10 of the Rivers and Harbors Act.

Corps Program

The Corps policy is to assure that each of the public works projects for which it has construction and operational responsibility have vigorous aquatic resource stewardship and improvement components. Through watershed studies authorized by Congress, the Corps assists State and local sponsors in identifying restoration goals, objectives and projects that benefit the entire watershed, including the coral reef ecosystem. Through the other civil works programs, the Corps is working closely with other Federal, State and local

agencies to improve assessment methodologies for identifying potential direct and indirect impacts to corals, incorporate state-of-the-art design and construction technologies to minimize impacts, and identify mitigation strategies that embrace “watershed approaches” to better compensate for potential project-related impacts. In FY 2006, the Corps restored, created, improved, and/or protected approximately 5,482 acres of habitat. Approximately 17 percent of the Corps FY 08 Civil Works budget for planning, design and construction is for ecosystem restoration, including studies and projects for the Upper Mississippi River, the Everglades, and the Louisiana Coast.

Congress also enacted the Clean Water Act “to restore and maintain the physical, chemical, and biological integrity of the nation’s waters,” including coral reefs, through programs such as section 404. Section 404 regulates discharges of dredged or fill material in waters of the U.S., which is administered by the Corps. The Bush administration has shown its support for continuing protection of aquatic resources by proposing to increase funding for the Corps' Regulatory budget from \$138M in FY 2003 to \$173M in FY 2007, a 20% rise in funds to protect these valuable resources. The Corps is responsible for day-to-day administration, which includes reviewing permit applications and deciding whether to issue or deny permits. The Corps makes more than 100,000 jurisdictional determinations and provides over 90,000 written authorizations, annually. In fact, our data indicate that we have been achieving a no-net-loss of wetlands over the past decade. Through this program, the Corps can help protect coral reefs and the aquatic environments of which they are an integral

part, and maintain the environmental and economic benefits provided by these valuable natural resources.

In addition, the Corps coordinates and cooperates with other agencies to ensure that we exceed the no-net-loss objectives of the regulatory program while further improving program performance and transparency. Three examples include:

- First, in 2004, a multi-agency team developed the Mitigation Action Plan. The MAP outlines 17 specific action items to improve the ecological performance of compensatory mitigation.
- Second, we are in the process of changing database systems. We are converting to ORM, which is a database and management tool that allows us to better track our project actions, including both impacts and compensatory mitigation. In addition, this tool is being built to include a spatial database with maps supported by GIS, which will facilitate a watershed approach for evaluation of projects. This system should be installed in the regulatory program by June 2007. After installation is completed, we will work with our Federal, State and local parties, and the general public, to ensure accessibility to the system.
- Third, in March 2006, the Corps and the EPA published the proposed mitigation rule to promote “no net loss” of aquatic resources. This proposed rule, which is based on existing regulation, guidance and input from NRC documents, provides flexibility for evaluating

compensatory mitigation strategies in a watershed context.

Specifically, we will:

- Replace lost aquatic resource functions resulting from permitted activity;
 - Use functional assessments where available, appropriate, and practicable, or minimum one-to-one replacement;
 - Use strategic site selection to improve or maintain watershed functions;
 - Consider type of mitigation project, landscape position, and other factors to provide desired functions, including use of multiple sites, if appropriate – e.g., on-site for water quality, water storage; off-site for habitat;
 - Allow for preservation and buffers;
 - Promote banks and in lieu fee programs; and
 - Implement regular monitoring to evaluate overall success.
- In addition, the Corps Engineering Research and Development Center represents the Army on the Aquatic Nuisance Species Task Force, which was developed to address threats to coral reefs by nuisance species.

Through the above initiatives and others like these, we will have the flexibility to ensure projects avoid and minimize impacts on reefs, and where unavoidable, evaluate and implement mitigation strategies that make most sense for the environment.

Conclusions

In conclusion, the Department of the Army and the Corps has a long history of working together closely and cooperatively with other agencies and interested parties in order to fulfill our important statutory duties on behalf of the public. We remain fully committed to protecting Clean Water Act jurisdictional waters, as intended by Congress and as expected by the American people.

The steps we are taking as outlined above continue to increase the effectiveness and efficiency of the Corps programs regarding where and how to restore, enhance, and protect aquatic resources, including coral reefs; improve the success of mitigation efforts; and expand the public's access to information on mitigation activities.

I believe through cooperative conservation approaches we can continue to work together as one team and use the instruments available to help us better understand our watersheds and better manage the factors influencing the health of our reefs and promote their resilience and sustainability in the future.