



August 2014

ARMY CORPS OF ENGINEERS

The Corps Needs to
Take Steps to Identify
All Projects and
Studies Eligible for
Deauthorization

GAO Highlights

Highlights of [GAO-14-699](#), a report to congressional requesters

Why GAO Did This Study

The Corps reports having a backlog of more than 1,000 authorized water resources construction projects in its Civil Works Program that it estimates to cost more than \$62 billion to complete, as of June 2014. Federal statute requires the Corps to identify for deauthorization projects that have had no obligations for 5 years and studies that have had no appropriations for 5 years. Once a project or study is deauthorized, it must be reauthorized to begin or resume construction or study.

GAO was asked to review the Corps' construction backlog and deauthorization processes. This report examines (1) the extent to which the Corps tracks its backlog of construction projects and studies, and (2) the extent to which the Corps identifies construction projects and studies eligible for deauthorization, and meets statutory deauthorization requirements. GAO reviewed legislation, Corps policy, guidance, and documentation of its backlog and deauthorization process. GAO interviewed Corps headquarters officials and officials from 16 of the Corps' 38 domestic civil works districts, selected based on geographical representation and number of projects.

What GAO Recommends

GAO recommends, among other things, that the Corps establish and implement policies to ensure projects and studies are tracked; establish a mechanism to track studies; and develop and implement policies to identify projects and studies that meet deauthorization criteria, and notify Congress. The Department of Defense concurred with the recommendations.

View [GAO-14-699](#). For more information, contact Anne-Marie Fennell at (202) 512-3841 or fennella@gao.gov.

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ARMY CORPS OF ENGINEERS

The Corps Needs to Take Steps to Identify All Projects and Studies Eligible for Deauthorization

What GAO Found

The U.S. Army Corps of Engineers' (Corps) backlog list of authorized water resources construction projects is incomplete because the agency does not track all authorized projects and the list does not include studies. Specifically, GAO found that the backlog does not include some projects that were authorized but were not appropriated funds. Corps headquarters officials said that the agency does not have a policy instructing its district offices to enter into their databases projects that are authorized but have not been appropriated funds and that it is up to the discretion of the district offices to do so. Corps officials also stated that the agency does not include studies on its backlog, nor does it have a policy instructing district offices to track studies. Federal internal control standards state that agencies are to document internal controls in management directives, administrative policies, or operating manuals to help ensure consistent treatment. Officials at 15 of 16 district offices told GAO that they enter projects into the databases only after funds are appropriated. The Corps has begun to take steps to include all authorized projects in a new agency database; however, this database will not include studies. Federal internal control standards call for agencies to have mechanisms to appropriately document transactions and other significant events. Without written policies requiring districts to track all projects and studies and a mechanism to track studies, the Corps may continue to have an incomplete backlog list. The absence of a complete backlog list of projects and studies will likely make it difficult for the Corps to know the full universe of unmet water resource needs of the country, and Congress to make informed decisions when authorizing projects and studies, and appropriating funds.

The Corps has not identified all eligible construction projects and studies for deauthorization and has not complied with statutory requirements to notify Congress of all projects and studies eligible for deauthorization. The agency is unlikely to identify those projects that have been excluded from the databases and had no funds obligated for 5 fiscal years, because, as discussed above, the Corps does not require districts to enter all authorized projects into its databases. Officials GAO interviewed from 5 of 16 districts said they likely would not identify and add projects to the draft deauthorization eligible list because they were not required to do so. Moreover, the Corps has not complied with statutory requirements to notify Congress of all projects that have not had obligations in 5 fiscal years. Specifically, the Corps cannot demonstrate it transmitted a list of projects eligible for deauthorization 8 times in the 12 years it was required to do so since 1997. Corps headquarters officials said that the process and communication mechanisms for deauthorizing projects are not in Corps policies or procedures. Without documented policies and procedures consistent with federal standards for internal control, the Corps may continue its inconsistent publishing of deauthorization lists. In addition, the Corps has not complied with requirements to identify studies for deauthorization because officials have said the agency does not have the policies and procedures in place to do so. Without having the data, as discussed above, or policies and procedures in place to identify studies for deauthorization, the Corps and Congress will not have complete information to make decisions when prioritizing the water resources needs of the country.

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Abbreviations

Corps	U.S. Army Corps of Engineers
WRDA	Water Resources Development Act
WRRDA	Water Resources Reform and Development Act

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August 21, 2014

The Honorable Barbara Boxer
Chairman
Committee on Environment and Public Works
United States Senate

The Honorable Nick J. Rahall
Ranking Member
Committee on Transportation and Infrastructure
House of Representatives

The Honorable Timothy Bishop
Ranking Member
Subcommittee on Water Resources and Environment
Committee on Transportation and Infrastructure
House of Representatives

The U.S. Army Corps of Engineers (Corps) reports a backlog of more than 1,000 authorized water resources construction projects in its Civil Works Program that the agency estimates to cost more than \$62 billion to complete, as of June 2014. These Corps construction projects can be found in 47 of the 50 states, the District of Columbia, Guam, and Puerto Rico and range from constructing levees for flood risk management, to waterway deepening for navigational purposes, to building structures to control invasive species for ecosystem restoration. Before the Corps can proceed with a construction project, it must first be authorized and appropriated funds to complete a study to determine, among other things, whether the project warrants federal participation, how the water resource problem can be addressed, and the level of interest of local sponsors for cost sharing. Once the study is complete and the Corps recommends a project for construction, Congress must authorize the project and appropriate funds before construction can begin. Since fiscal year 2007, annual appropriations for the Corps' civil works construction projects have generally decreased from about \$2.4 billion to \$1.7 billion in fiscal year 2014.¹ Reports have found that declining appropriations, coupled with the

¹An appropriation is budget authority to incur obligations and to make payments from the Treasury for specified purposes.

backlog of authorized projects, has left communities uncertain when or if their projects will be completed.

The Corps has been required to identify projects for possible deauthorization since 1974 and studies for possible deauthorization since 1986. The requirements appear in various Water Resources Development Acts.² Once a study or project is deauthorized, it generally must be reauthorized for study or construction to resume. Since the Water Resources Development Act (WRDA) of 1986, as amended, the Corps has been required to identify all incomplete water resources studies that have not had funds appropriated in 5 consecutive fiscal years as well as being required to identify all projects that had not been obligated funds in 5 consecutive fiscal years and submit those lists to Congress.^{3, 4} If funds are not (1) appropriated to studies within 90 days or (2) obligated to projects by the end of the fiscal year following the submission of the lists to Congress, those studies or projects would be deauthorized. Most recently, the Water Resources Reform and Development Act (WRRDA) of 2014 was enacted into law. Among other things, it creates a process to identify and deauthorize \$18 billion in authorized projects that are no longer viable for construction and to compile and publish a comprehensive backlog report including all projects and separable elements of projects that have been authorized but for which construction is not yet completed.

You asked us to review the Corps' construction backlog and deauthorization processes. This report examines (1) the extent to which the Corps tracks its backlog of construction projects and studies, and (2) the extent to which the Corps identifies construction projects and studies

²Water Resources Development Acts were enacted into law in 1974, 1976, 1986, 1988, 1990, 1992, 1996, 1999, 2000, 2007, and in June 2014, the Water Resources Reform and Development Act of 2014 was enacted into law.

³An obligation is most commonly defined as a commitment by the federal government that creates a legal liability of the government for the payment of goods and services ordered or received, or a legal duty that could mature into a legal liability as a result of actions of another party beyond the control of the federal government. For example, an obligation is incurred when an agency places an order, signs a contract, or purchases a service. However, according to officials in the office of the Assistant Secretary of the Army for Civil Works, in some cases, the Corps has obligated as little as one dollar on projects where no construction work has been initiated.

⁴Pub. L. No. 99-662, §§ 710, 1001, 100 Stat. 4082 (1986) (codified, as amended, respectively at 33 U.S.C. §§ 2264, 579a).

eligible for deauthorization, and meets statutory deauthorization requirements. For purposes of this report, the reference to construction backlog includes any project or study that was authorized but for which the construction or study is not yet complete.

We addressed these objectives through a variety of steps. Specifically, we reviewed pertinent federal laws and the Corps' policies and procedures related to data collection and deauthorization processes. We also reviewed obligations data contained in the Corps' databases used to guide its deauthorization processes.⁵ To assess data reliability, we reviewed data dictionaries, user guides, and other documentation that the Corps provided for the agency's databases. Unless otherwise stated, any data reported were found to be sufficiently reliable for the purposes of our review. We interviewed Corps headquarters officials to obtain additional information about the agency's policies, procedures, and processes for tracking its construction backlog and to determine its process for creating a list of projects and studies eligible for deauthorization. We also interviewed officials from a nonprobability sample of 16 of 38 domestic civil works district offices to determine how district offices track projects and implement the deauthorization process. We selected district offices based on geographical representation and number of projects, and we included those district offices with the most projects and the least projects in their respective divisions. The results of such a sample are not generalizable to all domestic civil works district offices, but provide illustrative examples of how district offices track projects and implement the deauthorization process. In addition, we interviewed nonfederal sponsors of Corps projects, selected through discussions with national associations, to determine how they were affected by the backlog and deauthorization process. We selected these associations to represent Corps water resources projects and with membership that includes nonfederal sponsors of Corps water resources projects. The views of representatives from these associations are not generalizable, but they provided perspectives on the Corps' backlog and deauthorization processes. We collected and reviewed deauthorization documents produced by the Corps from 1997 to 2013. We chose this time frame based on changes to deauthorization timeline requirements found in WRDA 1996 and because the Corps did not have complete obligations

⁵The Corps' databases include two commercially available systems as well as the Corps of Engineers Financial Management System.

data for fiscal year 2014 at the time of our review.⁶ Appendix I provides additional information about our objectives, scope, and methodology.

We conducted this performance audit from July 2013 to August 2014 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Background

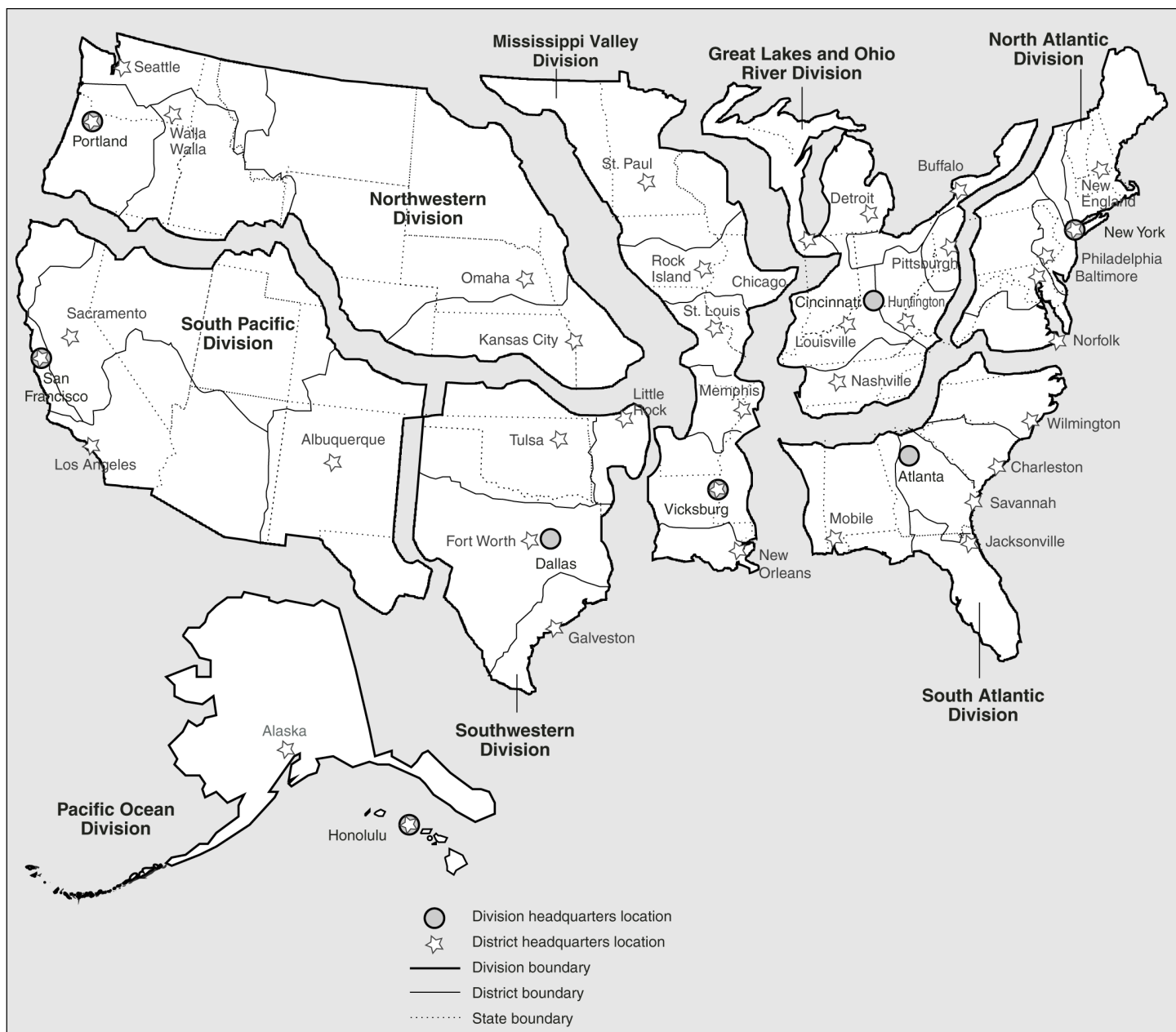
The Corps is the world's largest public engineering, design, and construction management agency. Located within the Department of Defense, the Corps has both military and civilian responsibilities.⁷ Through its Civil Works Program, the Corps plans, constructs, operates, and maintains a wide range of water resources projects. The Corps' Civil Works Program has nine major functional areas, also known as business lines: Navigation, Flood Risk Management, Environment, Recreation, Hydropower, Water Supply, Emergency Management, Regulatory Program, and Support for Others.⁸ The Corps' Civil Works Program is organized into three tiers: a national headquarters in Washington, D.C., 8 regional divisions, and 38 local district offices (see fig. 1).

⁶Pub. L. No. 104-303, § 228(a), 110 Stat. 3658 (1996).

⁷The Corps Military program provides, among other things, engineering and construction services to other U.S. government agencies and foreign governments. This report only discusses the Civil Works Program.

⁸The "Support for Others" business line covers the Corps' activities related to interagency and international support.

Figure1: Locations of the U.S. Army Corps of Engineers' Civil Works Divisions and Districts



Sources: GAO representation of U.S. Army Corps of Engineers data; Map Resources (map). | GAO-14-699

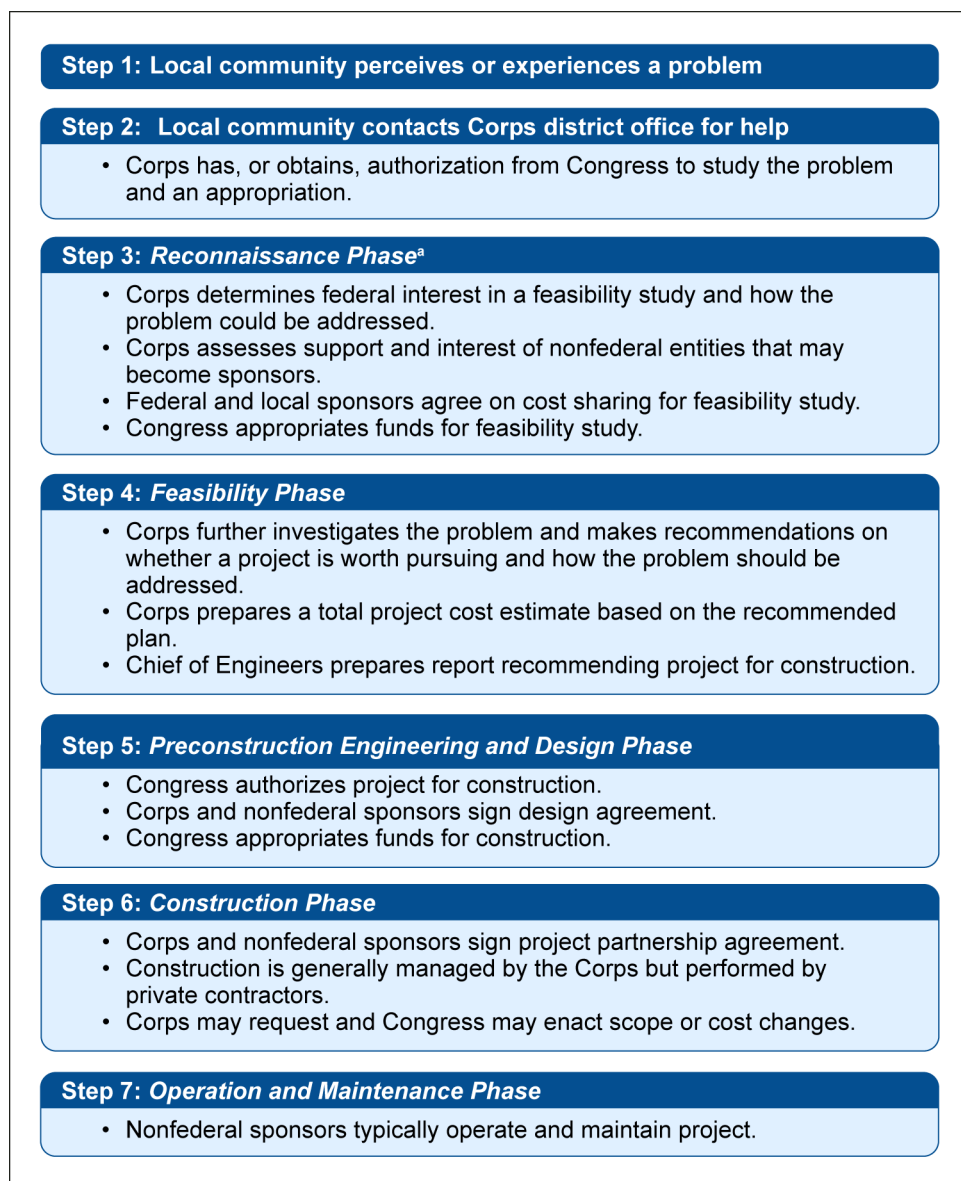
Corps headquarters primarily develops policies and guidance to implement its responsibilities and plans the direction of the organization. The Assistant Secretary of the Army for Civil Works, appointed by the President, sets the strategic direction for and has principle responsibility for the overall supervision of functions relating to the Army's Civil Works Program and supervises execution of the Civil Works Program by the Chief of Engineers. The Chief of Engineers, a military officer, is responsible for execution of the civil works and military missions. The divisions, which were established generally according to watershed boundaries, have the primary role of coordinating the districts' civil works projects, and are commanded by military officers.⁹ The role of the districts, also commanded by military officers, is to plan and implement the studies and projects that are approved by the divisions and headquarters.

Process for Developing Corps Projects

The major steps in developing a Corps construction project are shown in figure 2.

⁹Watersheds are areas that drain to a common body of water.

Figure 2: Major Steps in Developing a U.S. Army Corps of Engineers (Corps) Civil Works Project



Source: GAO presentation of U.S. Army Corps of Engineers data. | GAO-14-699

^aThe Water Resources Reform and Development Act of 2014 eliminated the reconnaissance phase. As of July 2014, the Corps had not developed implementation guidance on the elimination of the reconnaissance phase.

Usually, the Corps becomes involved in water resource construction projects when a local community perceives a need or experiences a problem that is beyond its ability to solve and contacts the Corps for assistance. If the Corps does not have the statutory authority required for studying the problem, the Corps must obtain authorization from Congress before proceeding.¹⁰ Studies have been authorized through legislation, typically a WRDA, or, in some circumstances, through a committee resolution by an authorizing committee. Next, the Corps must receive an appropriation to study the project, which it seeks through its annual budget request to Congress.

Under WRDA 2007 amendments, after receiving authorization and an appropriation, studies were conducted in two phases: reconnaissance and feasibility.¹¹ A Corps district office conducted a reconnaissance study at full federal expense to determine if the problem warranted federal participation in a feasibility study and how the problem could be addressed. During the reconnaissance phase, the Corps also assessed the level of interest and support from nonfederal entities such as state, tribal, county, or local governments or agencies that may become sponsors. If the Corps determined that further study was warranted, the district office typically sought agreement from the local sponsor to share costs for a feasibility study. WRRDA 2014 eliminated the reconnaissance phase to accelerate the study process and allow the Corps to proceed directly to the feasibility study.¹² The conference report accompanying WRRDA 2014 also states that the Corps may terminate a study when it is clear there is no demonstrable federal interest for a project or that construction of the project is not possible for technical, legal, or financial reasons.¹³ As of July 2014, the Corps had not developed implementation guidance on the elimination of the reconnaissance phase.

Cost sharing for feasibility studies varies based on the type of project being studied. The purpose of the feasibility study is to further investigate

¹⁰If the Corps has previously performed an evaluation in the geographic area for a similar purpose, a new study can be authorized by an authorizing committee resolution. If the Corps has not previously investigated the area, the study needs to be authorized through legislation.

¹¹Pub. L. No. 110-114, § 2043(b), 121 Stat. 1041 (2007).

¹²Pub. L. No. 113-121, § 1002(a)(2), 128 Stat. 1193 (2014).

¹³H.R. Conf. Rep. No. 113-449 at 183 (2014).

the problem and make recommendations on whether the project is worth pursuing and how the problem should be addressed. Corps guidance states that typical feasibility studies should be completed in 18 to 36 months. According to Corps documents, the district office conducts the study and the needed environmental studies and documents the results in a feasibility report that includes a total project cost estimate based on the recommended plan. The Chief of Engineers reviews the report and decides whether to sign a final decision document, known as the Chief's Report, recommending the project for construction. The Chief of Engineers transmits the Chief's Report and the supporting documentation to Congress through the Assistant Secretary of the Army for Civil Works and the Office of Management and Budget. Congress may authorize the project's construction in a WRDA or other legislation.¹⁴ When Congress approves a project for construction, it typically authorizes a total cost for the project based on estimates prepared by the Corps.

Most construction projects are authorized during the preconstruction engineering and design phase. The purpose of this phase is to complete any additional planning studies and all of the detailed, technical studies and designs needed to begin construction of the project. Once the construction project has been authorized and preconstruction engineering and design has been funded through completion of the plans and specifications for the first construction contract, the Corps seeks funds to construct the project through the annual budget formulation process. As part of the budget process, the Army, with input and data from Corps headquarters, division, and district offices, develops a budget request for the agency. Beginning in fiscal year 2006, the Corps introduced what it refers to as performance-based budgeting as a way to focus funding requests on those projects with the highest anticipated return on investment, rather than a wider set of projects that meet budget policies as it sought to do in the past. Under its current budget formulation process, the Corps uses performance metrics to evaluate projects' estimated future outcomes and gives priority to those it determines have the highest expected returns for the national economy and the environment, as well as those that reduce risk to human life. Budget justification materials are provided to the House and Senate Appropriations Committee for consideration. Through the conference

¹⁴Corps officials estimated that about 75 percent of all feasibility studies result in a project authorized for construction.

committee reports accompanying appropriations acts, Congress directs funds for individual projects in increments over the course of several years. The Corps considers a project or study to have been appropriated funds if the project or study has received such direction in a committee report. If the project has been appropriated funds, the district enters into a cost-sharing agreement with the nonfederal sponsor. Once funds have been appropriated and a cost-sharing agreement is in place, the construction phase can begin and the Corps may obligate funds for a project. Construction is generally managed by the Corps but performed by private contractors. During construction, the Corps may request and Congress may enact scope or cost changes.

Requirements for Corps Study and Construction Project Deauthorization

Under current federal statute, the process for deauthorizing construction studies is initiated if the study has not been appropriated funds for 5 consecutive fiscal years.¹⁵ Specifically, the Secretary of the Army is required to annually transmit to Congress a list of water resources studies that have not been completed and have not been appropriated funds in the last 5 full fiscal years.¹⁶ Congress has 90 days after the submission of that list to appropriate funds, or the study is deauthorized.

Current federal statute also requires a similar deauthorization process for construction projects.¹⁷ The Secretary of the Army is required to transmit to Congress a list of projects—or separable elements¹⁸—that have not had funds obligated for 5 full consecutive fiscal years. Beginning with WRDA 2007, this list was required to be sent to Congress annually; prior

¹⁵33 U.S.C. § 2264.

¹⁶The responsibility of the Secretary of the Army to carry out this requirement has been delegated to the Assistant Secretary of the Army for Civil Works.

¹⁷33 U.S.C. § 579a(b)(2).

¹⁸A separable element is a portion of a project which is physically separable from other portions of the project, and which achieves hydrologic effects or produces physical or economic benefits which are separately identifiable from those produced by other portions of the project. For the purposes of this report, when we refer to the required reporting of such projects to Congress, we are also referring to required reporting of separable elements of projects.

to WRDA 2007, the list was required biennially.¹⁹ If funds are not obligated for planning, design, or construction of a project on that list during the next fiscal year, the project is deauthorized, and the Secretary of the Army is to publish the list of deauthorized projects in the *Federal Register*.

The Corps Does Not Track All Construction Projects and Studies on Its Backlog

The Corps' report of a \$62 billion backlog list of more than 1,000 projects is incomplete because the agency does not track all of its authorized construction projects and studies. Specifically, the Corps does not enter all authorized projects and studies into its databases because of the absence of a policy to do so. As a result, we found the Corps' reported backlog list likely underestimates the complete construction backlog. Without having complete information on its backlog, the Corps does not know the full extent of unmet water resources needs of the nation, and Congress does not have complete information to make informed decisions on project and study authorizations and appropriations.

We found that the Corps' reported backlog likely under-represents the complete backlog of construction projects in terms of both cost and number of projects. According to Corps headquarters officials, the backlog list is manually maintained by one staff person as a secondary duty. Our past work has found that using manual processes to maintain data can hinder an organization's ability to ensure that data are complete and accurate.²⁰ Corps officials said, and our review found, that some projects that were authorized are included on the backlog list, but not their associated cost, therefore raising questions about the validity of the \$62 billion estimate. For example, the Amite River and Tributaries, Louisiana, East Baton Rouge Parish Watershed project was authorized in WRDA 1999²¹ and modified most recently in WRDA 2007 for a total cost of \$187 million, but according to Corps officials, construction funds have not been

¹⁹A list of projects meeting conditions for deauthorization has been required since November 1987. The specific conditions for the list have changed at various times. Immediately preceding WRDA 2007, for example, the list was to include projects that had not received obligations for the prior 7 years.

²⁰GAO, *Trade Adjustment Assistance: Labor Should Take Action to Ensure Performance Data Are Complete, Accurate, and Accessible*, [GAO-06-496](#) (Washington, D.C.: Apr. 25, 2006).

²¹Pub. L. No. 106-53, 113 Stat. 269 (1999).

appropriated for this project.²² Although the project's name appears on the Corps' backlog list, there is no dollar amount associated with that project, so the cost is not included in the Corps' reported backlog list. We found a total of 12 projects authorized in WRDA 1999 that are included in the Corps' reported backlog list but do not have an associated cost. However, internal control standards in the federal government call for agencies to clearly and promptly document transactions and other significant events from authorization to completion.²³ Corps headquarters officials acknowledged that information was missing from their databases and said they do not currently have an estimate for the cost or number of projects that are not included in their databases.

Corps headquarters officials told us that the agency does not have a policy instructing district offices to enter projects that are authorized but have not been appropriated funds into their databases, and it is left to the discretion of the district offices to do so. Officials from 1 of the 16 district offices we spoke with said the district has developed guidance to enter all authorized projects into the Corps' centralized databases, regardless of whether the projects had funds appropriated. Officials at the 15 other district offices told us they enter projects into the Corps' databases only after funds are appropriated. Corps headquarters officials said that the agency's databases were created primarily as project management databases, and therefore, projects are generally not entered into the databases until they are active and funds are appropriated. However, federal standards for internal control call for agencies to document internal control in management directives, administrative policies, or operating manuals and be readily available for examination. We also have previously found that it is important to have agencywide policies and procedures to help ensure consistent treatment, especially if employees are geographically dispersed.²⁴ Without written policies or guidance, Corps district offices will likely continue to inconsistently enter projects

²²The Amite River and Tributaries, Louisiana, East Baton Rouge Parish Watershed project was authorized for flood damage reduction and recreation purposes.

²³GAO, *Standards for Internal Control in the Federal Government*, [GAO/AIMD-00-21.3.1](#) (Washington, D.C.: Nov. 1999).

²⁴GAO, *Bureau of Prisons: Written Policies on Lateral Transfers and Assessment of Temporary Assignments Needed*, [GAO-09-141](#) (Washington, D.C.: Feb. 25, 2009) and *Equal Employment Opportunity SSA Region X's Changes to Its EEO Process Illustrate Need for Agencywide Procedures*, [GAO-03-604](#) (Washington, D.C.: July 16, 2003).

that are authorized but not funded into their databases, and that will continue to result in incomplete data.

In the absence of authorized projects not consistently being entered into the Corps' centralized databases, officials from 10 of the 16 district offices we spoke with said they maintained their own lists of authorized projects, including those that were authorized but did not have funds appropriated. Officials from some of these districts said that they do so in order to maintain contact with nonfederal sponsors and so that they have complete project information for budget presentation preparations. Officials from two district offices we interviewed said that they do not maintain a list of authorized projects that did not have funds appropriated, but nonfederal sponsors often contact them regarding these projects, so the officials were aware of them. Officials from three districts we interviewed said they do not maintain a list of all authorized projects in their district and are unable to estimate how many projects from their district are not included in the Corps' databases. Officials in one of these districts said that they are unaware of the number of projects that have been authorized and not funded but estimated the number to be large.

The Corps' reported backlog does not include studies. Corps officials stated the agency does not track a backlog of all authorized studies, nor does it have a policy instructing districts to do so, due to manpower and resource constraints. However, because federal statute requires the Corps to submit a list to Congress of incomplete water resources studies for which no funds have been appropriated for 5 full fiscal years, the Corps needs to know which studies are eligible for deauthorization. Without having this data, the Corps cannot comply with the requirement to submit a list to Congress identifying studies for deauthorization that have not had funds appropriated for 5 fiscal years.

Without having a complete backlog list of projects and studies, it is difficult for the Corps to know the full universe of unmet water resources needs in the country. Our prior work also found that the Corps' budget presentation is not transparent and only includes information on the projects the President proposes to fund in the budget year.²⁵ According to that work, congressional users of the Corps' budget presentation said that

²⁵GAO, *Army Corps of Engineers: Budget Formulation Process Emphasizes Agencywide Priorities, but Transparency of Budget Presentation Could Be Improved*, [GAO-10-453](#) (Washington, D.C.: Apr. 2, 2010).

not having information on all projects limits the ability of Congress to make fully informed decisions. Similarly, WRDA 2007 required the Corps to submit an annual fiscal transparency report, including a list of all projects that have been authorized but for which construction is not complete.²⁶ The Corps has not submitted this report. The Corps estimates it will submit the comprehensive backlog report of projects required in WRRDA 2014 by March 2015, once it completes its new database that is discussed below. Until the Corps submits such a report to Congress, lawmakers will not have complete information to make informed decisions on construction project and study authorizations and appropriations.

Corps headquarters officials recognize that they are missing project backlog data for some authorized projects and have begun to implement an initiative known as the Smart Use of Systems Initiative, which is designed to add projects to a new agency database. One of the goals of this initiative is to create a database to include all authorized projects. Headquarters officials said the agency hired a contractor in February 2014 to create an inventory of all projects that were authorized since the passage of WRDA 1986. This inventory is a major component of a new, centralized project database called the Civil Works Integrated Funding Database. They said to create this inventory, the contractor will search WRDA 1986 and other legislation, such as appropriations acts, that may include project authorizations, and then match those projects with information contained in the Corps' databases. Officials said this process will require the contractor to work closely with Corps staff because projects may have different names in legislation than the project names contained in the Corps' databases. According to Corps headquarters officials, once the contractor completes the inventory of all projects authorized since WRDA 1986, Corps headquarters officials will add those projects authorized prior to WRDA 1986. Corps headquarters officials said that once the new database has been implemented, district or headquarters officials will be required to enter data on new construction projects following authorization. As of the end of June 2014, Corps headquarters officials said that the contractor has completed the initial phase of the inventory of projects authorized since WRDA 1986 and that the contractor is updating the inventory based on comments from Corps

²⁶Pub. L. No. 110-114, § 2027, 121 Stat. 1041 (2007). The fiscal transparency report is to have detailed information including, the authorization date, last allocation date, percentage of construction completed, estimated cost remaining until completion, and an explanation of the reasons for the delay, among other items.

headquarters officials. These officials estimate the Civil Works Integrated Funding Database will contain all authorized projects by the end of the 2014 calendar year. Officials said the inventory will not include authorizations for studies and have not determined what, if any, mechanisms they would put in place to track these studies. However, federal internal control standards call for agencies to have mechanisms in place to appropriately document transactions and other significant events.

The Corps Has Not Identified All Projects and Studies for Deauthorization or Complied with Statutory Deauthorization Requirements

The Corps has not identified all eligible construction projects and studies for deauthorization and has not complied with statutory requirements to notify Congress of all projects and studies eligible for deauthorization. As discussed earlier, the Corps does not require its district offices to enter all authorized projects into its databases; therefore, the agency is unlikely to identify as eligible for deauthorization those projects that are excluded from the database and have not had funds obligated for 5 fiscal years. In addition, the Corps has not complied with its statutory requirements to notify Congress of all projects that have not had funds obligated in 5 fiscal years and cannot demonstrate it has notified Congress of projects eligible for deauthorization on an annual basis. Moreover, the Corps has not notified Congress of eligible studies for deauthorization as required by statute.

The Corps Has Not Identified All Projects Eligible for Deauthorization Due to Limited Data

As discussed earlier, not all projects are included in the Corps' databases because the agency does not have policies and procedures in place to enter all authorized projects; therefore, some projects that have not had obligations in 5 fiscal years are unlikely to appear on the Corps' list of projects eligible for deauthorization. Corps headquarters officials said that the project deauthorization process begins when Corps headquarters officials and contractors query the agency's centralized project databases to identify any project that has not had obligations in the previous 5 fiscal years. Corps headquarters officials then send a memorandum (deauthorization memorandum) outlining statutory deauthorization provisions for projects along with the draft list of projects that are eligible for deauthorization to the division offices, which in turn are to send the list to the district offices for verification, according to these officials. As part of this effort, district offices are to verify, among other things, the project name, the last year the project had funds obligated, whether it met deauthorization criteria as outlined in statute, and an explanation of why the project has not had funds obligated. As stated previously, the Corps does not generally enter projects into its databases until funds are appropriated, therefore, the Corps' list of projects eligible for

deauthorization is unlikely to contain those authorized projects that have not been appropriated funds nor obligated funds within 5 full fiscal years, as required by statute. Although Corps headquarters officials said that this deauthorization process occurs annually, headquarters officials provided us with the lists of projects that were verified and returned by the division and district offices for one year (2012).

The deauthorization memorandum instructs the district offices to review and verify the information contained on the draft list. Headquarters officials said that district officials also are to add information on the year in which the project was authorized to the list of eligible projects, but that information is not currently included in the Corps' databases. However, the deauthorization memorandum does not specify that district offices are to add projects missing from the list that have not had funds obligated for 5 years. Officials we interviewed from 5 of the 16 Corps district offices in our review said they do not attempt to identify and add projects to the draft list because they were not aware that they were to do so. Officials from two other district offices said their division does not send the draft list to them unless there are projects for that district listed, so there would not be an opportunity for these district offices to add projects in such situations. However, officials from three other district offices we spoke with added projects to the headquarters draft list. For example, Charleston district officials said they added seven projects to the 2012 headquarters draft list that were authorized in WRDA 2007 but had not had funds appropriated and therefore did not have funds obligated. However, neither Corps headquarters nor the Assistant Secretary of the Army for Civil Works transmitted a list to Congress for projects eligible for deauthorization for fiscal year 2012 as required under statute.

The Corps Has Not Complied with Statutory Requirements to Notify Congress of All Projects and Studies Eligible for Deauthorization

The Corps Has Not Notified Congress of All Projects Eligible for Deauthorization

The Corps has not consistently complied with statutory deauthorization notification requirements. Specifically, with respect to project notification requirements, the Corps has not notified Congress of all deauthorization eligible projects, nor has the Corps consistently provided Congress notification in the required time frames. With respect to study notification requirements, the Corps has not notified Congress of deauthorization eligible water resources studies.

As stated previously, current statutory requirements provide for a project to be reported to Congress for deauthorization if such projects have not been obligated funds for 5 consecutive fiscal years, and then to be automatically deauthorized if funds are not obligated in the next fiscal year after transmittal of the list to Congress. However, Corps district

officials told us that they have recommended projects that headquarters officials have identified as eligible for deauthorization not be included on the list of projects sent to Congress, even though funds were not obligated for those projects for 5 consecutive fiscal years. Specifically, officials from 6 district offices informed us that they typically add comments to a draft list asking that a project not be included on the list of projects eligible for deauthorization if a nonfederal sponsor is still interested in pursuing the project or if the district finds continued federal interest in the project. Due to staff turnover at headquarters and missing documentation on past deauthorization efforts, headquarters officials said they are unable to determine the reasons why projects were not identified as eligible for deauthorization. Moreover, Corps headquarters officials were unable to provide us with agency guidance or policy used to determine what projects they consider exempt from project deauthorization eligibility.

In our analysis of the 2011 draft list of projects eligible for deauthorization sent to the district offices, we found that headquarters had included 43 projects on the draft list that had not been obligated funds from fiscal year 2007 through 2011—the 5 fiscal years preceding the date of the list for Congress. However, 41 of those 43 projects were not included in the Corps' list of projects eligible for deauthorization that was sent to Congress. According to headquarters officials, some of the 41 projects may not have been eligible for deauthorization because, for example, they were Continuing Authorities Projects, which are not subject to deauthorization, or the project was incorporated into another ongoing project.²⁷ Although Corps headquarters officials were unable to provide us with the lists that included district comments, officials from 6 of the district offices we interviewed told us that projects may be removed from consideration by headquarters if nonfederal sponsors support projects or if there is continued federal interest in projects that have not had funds obligated for 5 fiscal years, for example:

- The Galveston district has had a project on the Corps headquarters draft list of projects eligible for deauthorization in 2010, 2011, 2012, and 2013. Galveston district officials said the nonfederal sponsor expressed continued interest in the project and requested that the

²⁷ Continuing Authorities Program projects are conducted at the Corps' discretion based on the availability of funds and generally do not receive specific congressional authorization or appropriations.

project not be deauthorized. According to Corps data, funds have not been obligated for this project since 2006 but the project has not been deauthorized.

- The Jacksonville district has had a project on the headquarters list of projects eligible for deauthorization in 2010, 2011, 2012, and 2013. According to Jacksonville district officials' comments on the 2012 list, the nonfederal sponsor continued to support the project.²⁸ Corps data showed that funds have not been obligated for this project since 2006 but it has not been deauthorized.
- The Louisville district had a project on the headquarters list of projects eligible for deauthorization in 2008 and 2009. Louisville district officials said construction on some components of the project are not yet complete because the nonfederal sponsor has not been able to contribute its portion of the funds for those components. Because the nonfederal sponsor is still interested and some construction had been completed, district officials said they did not recommend that the project be included in the list of projects eligible for deauthorization. According to Corps data, funds have not been obligated for this project since 1998 but it has not been deauthorized.

The Corps' decision to remove projects from their draft list when such projects have not had funds obligated for 5 fiscal years and thereby not notify Congress of all projects eligible for deauthorization is not consistent with statutory requirements. As a result, Congress has not received a complete list of projects eligible for deauthorization, and some projects may still be listed as authorized without being subject to deauthorization as specified in statute.

Officials we interviewed from 10 of 16 district offices said that the 5-year time frame for deauthorizing projects without obligations, as specified in statute, is too short of a time frame to be eligible for deauthorization.²⁹ For

²⁸Corps headquarters was only able to provide us with district comments to its 2012 draft list of projects eligible for deauthorization.

²⁹Congress has previously taken action with respect to this time frame and such action has been to shorten the time frame. More specifically, WRDA 1996 changed this period from 10 years to 7 years. The Senate committee report accompanying this WRDA 1996 had proposed a change from 10 years to 5 years, explaining that this "proposal would shorten the length of time authorized projects can languish on the shelves from 10 years to 5 years, thereby encouraging early development of projects with strong Federal and non-federal support." WRDA 2007 subsequently changed this period from 7 years to 5 years.

example, officials in 4 of the 16 district offices we interviewed cited the current economic climate, including reductions in the Corps' budget and fewer funds available for construction projects, as reasons why a project should not be deauthorized as it might still have value to the communities after the 5-year period. Additionally, officials from 2 Corps district offices said some projects may not receive priority in the agency's budget request.³⁰ For example, an official from the Alaska district said that projects within his district tend to rank lower than projects in high-traffic ports, such as New York and Long Beach, but authorized construction projects are still important to the Alaskan community and should not be deauthorized.

Reports show that having a large backlog can have negative effects. For example, a 2007 report by the National Academy of Public Administration states that a backlog complicates the budgeting process and provides an incentive to spread funding widely, over many projects, rather than to complete high priority projects that have already begun construction.³¹ That report recommended that the Corps and Congress work to eliminate the backlog of projects that have little chance of being funded. Similarly, the National Academy of Sciences reported in 2011 that the backlog leads to projects being delayed, conducted in a stop-start manner, and contributes to overall inefficient project delivery.³²

³⁰In recent years, the Administration's budgeting process has used benefit-cost ratios as one metric for selecting projects for funding, but the benefit-cost ratio criteria used for project selection vary annually. The Corps calculates the benefit-cost ratio differently for various types of projects, but it generally represents the value of damages avoided as a result of constructing a project, divided by the life-cycle cost of the project for the Corps.

³¹National Academy of Public Administration, *Prioritizing America's Water Resources Investments: Budget Reform for Civil Works Construction Projects at the U.S. Army Corps of Engineers* (Washington, D.C.: February 2007).

³²National Academy of Sciences, *National Water Resources Challenges Facing the U.S. Army Corps of Engineers* (Washington, D.C.: National Academies Press, 2011).

The Corps Cannot
Demonstrate It Has
Consistently Notified Congress
of Projects That Meet
Deauthorization Eligibility

Current federal statute requires the Secretary of the Army to transmit to Congress a list of authorized projects or separable elements of projects that have had no obligations during the previous 5 full fiscal years. However, Corps headquarters officials were unable to provide us with copies of most of the deauthorization lists the agency has been required to send to Congress since WRDA 1996.³³ Specifically, the Corps located 4 lists (2006, 2010, 2011, and 2012) out of the 12 lists that were transmitted to Congress for fiscal years 1997 through 2013, as required.

The Corps' 2012 deauthorization memorandum states that once verified, the list of projects eligible for deauthorization is to be sent to the Assistant Secretary of the Army for Civil Works for submittal to Congress. However, Corps headquarters officials and officials from the office of the Assistant Secretary of the Army for Civil Works did not provide us evidence of a recordkeeping system that tracked backlog lists sent to Congress or a timeline used to ensure a list was transmitted to Congress by the time frames specified in statute. Based on our discussions with officials from Corps headquarters and the office of the Assistant Secretary of the Army for Civil Works, lists to Congress may not have been sent each year as required by statute because the process and communication mechanisms are not documented in policies or procedures, and there is no recordkeeping system. Corps headquarters officials said they provided draft deauthorization lists to the Assistant Secretary of the Army for Civil Works on an annual basis but were unable to provide us copies of these lists. The office of the Assistant Secretary of the Army for Civil Works could not, in turn, locate all required lists other than the four provided to us. Officials from both Corps headquarters and the office of the Assistant Secretary of the Army for Civil Works said staff turnover also may have been a factor in not submitting the lists of projects eligible for deauthorization to Congress. Officials from the Corps and the office of the Assistant Secretary of the Army for Civil Works provided us with a document that outlines the process with dates and responsibilities of the two offices, but said that it was not included in formal agency policies or procedures. Under the federal standards for internal control,³⁴ agencies are to document internal control in management directives, administrative

³³Prior to WRDA 2007, the Corps was required to submit its letter with the deauthorization eligibility list every 2 years. WRDA 2007 amended the project deauthorization notification provision to require an annual submission of the notifications.

³⁴[GAO/AIMD-00-21.3.1](#).

policies, or operating manuals and be readily available for examination. Without having documented policies or procedures that outline the deauthorization process, Corps headquarters officials and officials from the Assistant Secretary of the Army for Civil Works may not be clear about the specific responsibilities of each office, and Congress may not be notified annually about projects eligible for deauthorization.

Under what is commonly referred to as the Federal Records Act, each federal agency is required to make and preserve records.³⁵ However, the Corps does not have a recordkeeping policy in place with respect to project deauthorizations, which has resulted in incomplete records of documents related to the deauthorization process, including documents sent to Congress. Without records and recordkeeping policies related to project deauthorizations, the Corps will have difficulty ensuring that its transactions related to deauthorization are done in a manner to comply with the statutory records management requirements. In addition, historical records related to project deauthorizations could be lost due to the absence of a recordkeeping policy and not be available for public access in the event of a Freedom of Information Act request.³⁶

In addition to requiring the Corps to send lists of projects eligible for deauthorization to Congress, federal statute requires the publication of projects that are deauthorized in the *Federal Register*. According to the deauthorization memorandum, Corps headquarters officials are responsible for publishing in the *Federal Register* the list of projects that are deauthorized, as well as a list of projects removed from the list of projects eligible for deauthorization due to resumption of funding or reauthorization. The Corps has published 3 lists (1999, 2003, and 2009) of projects that are deauthorized in the *Federal Register* during the 12 fiscal years from 1997 to 2013 during which the agency was subject to the statutory project deauthorization requirements. Corps headquarters officials told us that the statute does not specify dates for publishing projects that are deauthorized in the *Federal Register*. In addition, Corps

³⁵44 U.S.C. § 3101. More specifically, the head of each Federal agency shall make and preserve records containing adequate and proper documentation of the organization, functions, policies, decisions, procedures, and essential transactions of the agency and designed to furnish the information necessary to protect the legal and financial rights of the Government and of persons directly affected by the agency's activities.

³⁶GAO, *Information Management: The Challenges of Managing Electronic Records*, [GAO-10-838T](#) (Washington, D.C.: June 17, 2010).

The Corps Has Not Complied with Study Deauthorization Requirements

headquarters officials told us that the Corps has no formal written policy or guidelines consistent with federal standards for internal control,³⁷ to ensure that lists of projects that are deauthorized are published in the *Federal Register*. Without having documented policies or procedures that outline the deauthorization process, the Corps cannot ensure that projects deauthorized by operation of the statute are published in the *Federal Register* as required.

The Corps has not complied with statutory requirements to submit to Congress an annual list of incomplete water resources studies that have been authorized but for which no funds have been appropriated during the prior 5 full fiscal years. As discussed earlier, Corps headquarters officials told us the agency does not track studies and therefore cannot identify studies that meet deauthorization eligibility requirements. Moreover, the Corps does not require studies to be entered into its databases until funds have been appropriated. Corps headquarters officials also said the agency does not have policies and procedures outlining a process to identify and submit to Congress a list of studies eligible for deauthorization and have not submitted lists of studies eligible for deauthorization to Congress, as required by statute, due to manpower and resource constraints. Without having a mechanism to compile data on studies or a documented policy and procedures in place to deauthorize studies as noted in federal internal control standards,³⁸ the Corps cannot comply with deauthorization requirements for studies specified in statute, and the agency, Congress, and nonfederal sponsors have incomplete information on what is feasible to address the water resources needs of the country.

Conclusions

The Corps' incomplete construction backlog and declining appropriations for construction projects have left communities uncertain when or if their projects will be completed. Although the Corps has taken the initial steps of compiling a database to include all authorized projects, the agency faces challenges in identifying backlogged projects and projects eligible for deauthorization. Specifically, the agency does not have complete data on its backlogged projects, because it does not have documented policies or procedures to enter projects into its databases when authorized as called for by federal standards for internal control. Without such guidance,

³⁷ [GAO/AIMD-00-21.3.1.](#)

³⁸ [GAO/AIMD-00-21.3.1.](#)

it is likely that the Corps will continue to have incomplete data on such projects and cannot know the full extent of the construction project backlog, making it difficult to effectively deauthorize all eligible projects and for the Corps and Congress to effectively prioritize projects and plan the agency's work. In addition, the Corps was unable to locate all of the lists of projects eligible for deauthorization that it has been required to transmit to Congress since 1997, and the Corps has published lists of deauthorized projects in the *Federal Register* inconsistently during that time period. Without a recordkeeping policy in place as required by statute and without a documented policy and procedures outlining the deauthorization process consistent with federal standards for internal control, the Corps cannot ensure that projects eligible for deauthorization are submitted to Congress and that projects deauthorized by operation of the statute are published as required in the *Federal Register*.

Furthermore, although federal statute places study-related deauthorization requirements on the Corps, the Corps has not complied with these provisions. Moreover, the Corps does not have a mechanism to compile data on studies or a documented policy and procedures for identifying eligible studies for deauthorization, as called for by federal standards for internal control. As such, the Corps, Congress, and nonfederal sponsors will not have complete information for making fully informed decisions on what is feasible to address the water resources needs of the country.

Recommendations for Executive Action

To ensure that the Corps meets the statutory requirements related to deauthorization of projects, we recommend that the Secretary of Defense direct the Secretary of the Army to direct the Chief of Engineers and Commanding General of the U.S. Army Corps of Engineers to take the following four actions:

- Establish and implement a written policy to ensure all authorized projects are entered into the agency's database and tracked.
- Once the new database includes all authorized projects, determine what projects are eligible for deauthorization, transmit the list to Congress, and publish projects that are deauthorized in the *Federal Register*.
- Establish and implement written policies and procedures documenting the project deauthorization process, from initial compilation of a list of eligible projects to submitting the list to Congress and publishing the projects that are deauthorized in the *Federal Register*.

-
- Establish and implement a policy for record-keeping to ensure that documents related to deauthorization are maintained as federal records.

To ensure that the Corps meets the statutory requirements related to deauthorization of incomplete water resources studies, we recommend that the Secretary of Defense direct the Secretary of the Army to direct the Chief of Engineers and Commanding General of the U.S. Army Corps of Engineers to take the following three actions:


- Establish a mechanism for tracking all authorized studies and establish and implement a written policy to ensure all authorized studies are tracked.
- Establish and implement policies and procedures documenting the deauthorization process for studies, from initial compilation of a list of eligible studies to submitting the list to Congress.
- Determine what studies are eligible for deauthorization and transmit the list to Congress.

Agency Comments and Our Evaluation

We provided a draft of this report for review and comment to the Department of Defense. In its written comments, reprinted in appendix II, the department concurred with our recommendations and noted that it will take steps to address those recommendations.

As agreed with your offices, unless you publicly announce the contents of this report earlier, we plan no further distribution until 30 days from the report date. At that time, we will send copies of this report to the appropriate congressional committees, the Secretary of Defense, the Secretary of the Army, the Chief of Engineers and Commanding General of the U.S. Army Corps of Engineers, and other interested parties. In addition, the report will be available at no charge on the GAO website at <http://www.gao.gov>.

If you or your staff have any questions about this report, please contact me at (202) 512- 3841 or fennella@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. GAO staff who made key contributions to this report are listed in appendix III.

A handwritten signature in black ink that reads "Anne-Marie Fennell". The signature is written in a cursive style with a large initial "A" and a long horizontal line extending from the end of the name.

Anne-Marie Fennell
Director, Natural Resources and Environment

Appendix I: Objectives, Scope, and Methodology

This report examines (1) the extent to which the Corps tracks data on its backlog of construction projects and studies, and (2) the extent to which the Corps identifies construction projects and studies eligible for deauthorization, and meets statutory deauthorization requirements. For purposes of this report, the Corps' backlog includes any study or project that was authorized but for which the study or the construction is not yet complete. Our work focused on the deauthorization processes for construction studies and projects in fiscal years 1997 to 2013. We chose this time frame based on amendments to the deauthorization requirements enacted in WRDA 1996 and because the Corps did not have complete obligations data for fiscal year 2014 at the time of our review.

To determine the extent to which the Corps tracks data on its backlog of construction studies and projects as well as the extent to which the Corps identifies eligible construction studies and projects for deauthorization, we reviewed relevant federal statutes and the Corps' policies and procedures related to data collection and deauthorization processes. We also obtained the Corps' obligations data for fiscal years 1997 to 2013 in an attempt to recreate the Corps' methods to identify projects for deauthorization. However, after multiple interviews with Corps headquarters officials responsible for the agency's databases to discuss discrepancies, we determined the data were not reliable for our purposes because not all authorized projects were contained in the databases. We found that the obligations data that the Corps had were sufficiently reliable for us to compare those projects with the projects the Corps includes in its backlog and to compare with the Corps' draft deauthorization lists. We also reviewed data dictionaries, user guides, and other documentation that the Corps provided for the agency's databases. We reviewed these documents to help determine how the Corps used its databases to guide its deauthorization processes and to assess data reliability. We also reviewed deauthorization documents produced by the Corps from 1997 to 2013. These documents included draft deauthorization lists created by Corps headquarters, draft deauthorization lists that were verified by the division and district offices, lists of projects eligible for deauthorization that were sent to Congress, and *Federal Register* notices pertaining to deauthorized projects. Corps headquarters officials located one year of draft deauthorization lists that were verified from the division and district offices. We also reviewed any draft deauthorization lists that were provided by district officials we spoke with. Corps headquarters officials provided us with four (2006, 2010, 2011, and 2012) lists of projects eligible for deauthorization the agency sent to Congress from 1997 to 2013. We interviewed Corps headquarters

officials to obtain additional information on the agency's policies and procedures for tracking its construction backlog and to determine the process the agency uses to create a list of studies and projects eligible for deauthorization. In addition, we spoke with nonfederal sponsors of Corps projects who are members of two national associations, to determine how they were affected by the Corps' backlog and deauthorization process. We selected these associations to represent the Corps' water resources projects and with membership that includes nonfederal sponsors of Corps water resources projects. The views of representatives from these associations are not generalizable, but they provided perspectives on the Corps' backlog and deauthorization processes.

We also interviewed officials from a nonprobability sample of 16 of 38 Corps domestic civil works district offices to determine how district offices track data on studies and projects and implement the deauthorization process. We selected a non-probability sample of district offices that met our selection criteria of (1) geographical representation of two district offices in each of the Corps' 8 civil works division offices and (2) number of projects per district office. Specifically, we selected the district offices with the most projects and the district offices with the least projects in each of the 8 division offices, based on a list, provided by Corps headquarters officials, of construction projects by division and district. Project data was obtained from headquarters officials and included active projects in each of the Corps districts. We used this data for the purpose of selecting our non-probability sample, and determined it was sufficiently reliable for this purpose. Because this is a non-probability sample, the experiences and views of the Corps district officials are not representative of, and cannot be generalized to, all Corps districts. However, these experiences and views provide illustrative examples of how district offices track projects and implement the deauthorization process.

We conducted this performance audit from July 2013 to August 2014 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Appendix II: Comments from the Department of Defense



DEPARTMENT OF THE ARMY
OFFICE OF THE ASSISTANT SECRETARY
CIVIL WORKS
108 ARMY PENTAGON
WASHINGTON DC 20310-0108

AUG 13 2014


Ms. Anne-Marie Fennell
Director
Natural Resources and Environment
U.S. Government Accountability Office
441 G Street, NW
Washington, DC 20548

Dear Ms. Fennell:

This is the Department of Defense (DoD) response to the GAO Draft Report, GAO-14-699, "ARMY CORPS OF ENGINEERS: The Corps Needs to Take Steps to Identify All Projects and Studies Eligible for Deauthorization," dated July 16, 2014 (GAO Code 361515).

DoD concurs with the seven recommendations in the GAO report, and will be taking steps to address the recommendations. Specifics regarding this initiative are enclosed. DoD appreciates this opportunity to address the GAO recommendations for improving the process for deauthorization of projects and studies.

Very truly yours,


Jo-Ellen Darcy
Assistant Secretary of the Army
(Civil Works)

Enclosure

**GAO DRAFT REPORT DATED JULY 16, 2014
GAO-14-699 (GAO CODE 361515)**

**“ARMY CORPS OF ENGINEERS: THE CORPS NEEDS TO
TAKE STEPS TO IDENTIFY ALL PROJECTS AND STUDIES
ELIGIBLE FOR DEAUTHORIZATION”**

**U.S. ARMY CORPS OF ENGINEERS COMMENTS
TO THE GAO RECOMMENDATIONS**

RECOMMENDATION 1: To ensure that the Corps meets the statutory requirements related to deauthorization of projects, GAO recommends that the Secretary of Defense direct the Secretary of the Army to direct the Chief of Engineers and Commanding General of the U.S. Army Corps of Engineers (Corps) to take the following action: Establish and implement a written policy to ensure all authorized projects are entered into the agency’s database and tracked.

USACE RESPONSE: Concur. By December 2014, the Corps plans to establish and implement a written policy to ensure all authorized projects are entered into the agency’s database and tracked. The written policy also will establish procedures for updating the data to reflect all future authorization related actions.

RECOMMENDATION 2: To ensure that the Corps meets the statutory requirements related to deauthorization of projects, GAO recommends that the Secretary of Defense direct the Secretary of the Army to direct the Chief of Engineers and Commanding General of the U.S. Army Corps of Engineers to take the following action: Once the new database includes all authorized projects, determine what projects are eligible for deauthorization, transmit the list to Congress, and publish projects that are deauthorized in the Federal Register.

USACE RESPONSE: Concur. The Corps plans on having its comprehensive database completed and entered into our Civil Works Integrated Funding Database (CWIFD) by December 31, 2014. Once all authorized projects have been uploaded into CWIFD, the Corps will follow the annual deauthorization process to determine what projects are

Enclosure 1

eligible for deauthorization, transmit the draft list to ASA (CW) by February 2015, for transmittal to Congress by May 2015, and publish a list of projects that have been deauthorized in the Federal Register by October 2017 (the fiscal year following the fiscal year of notification). This annual notification process for FY 2015 will be in parallel with the Water Resources and Reform Development Act, 2014 requirement for a one-time deauthorization of \$18 billion of work authorized prior to Water Resources Development Act, 2007. The process will be repeated annually.

RECOMMENDATION 3: To ensure that the Corps meets the statutory requirements related to deauthorization of projects, GAO recommends that the Secretary of Defense direct the Secretary of the Army to direct the Chief of Engineers and Commanding General of the U.S. Army Corps of Engineers to take the following action: Establish and implement written policies and procedures documenting the project deauthorization process, from initial compilation of a list of eligible projects to submitting the list to Congress and publishing the projects that are deauthorized in the Federal Register.

USACE RESPONSE: Concur. By December 31, 2014, the Corps plans to draft written policies and procedures documenting the project deauthorization process, from initial compilation of a list of eligible projects to submitting the list to Congress and publishing the projects that are deauthorized in the Federal Register. This process will be monitored during the FY2015 deauthorization process and revised as necessary. By September 2015, the Corps plans to issue the final procedures document and document the project deauthorization process.

RECOMMENDATION 4: To ensure that the Corps meets the statutory requirements related to deauthorization of projects, GAO recommends that the Secretary of Defense direct the Secretary of the Army to direct the Chief of Engineers and Commanding General of the U.S. Army Corps of Engineers to take the following action: Establish and implement a policy for record keeping to ensure that documents related to deauthorization are maintained as federal records.

USACE RESPONSE: Concur. By December 31, 2014, the Corps will establish and implement a policy for record keeping, ensuring that documents related to deauthorization are maintained as federal records.

RECOMMENDATION 5: To ensure that the Corps meets the statutory requirements related to deauthorization of incomplete water resources studies, GAO recommends that the Secretary of Defense direct the Secretary of the Army to direct the Chief of Engineers and Commanding General of the U.S. Army Corps of Engineers to take the following action:

Establish a mechanism for tracking all authorized studies and establish and implement a written policy to ensure all authorized studies are tracked.

USACE RESPONSE: Concur. By September 2016, the Corps plans to establish a mechanism for tracking all authorized studies and establish and implement a written policy to ensure all authorized studies are tracked.

RECOMMENDATION 6: To ensure that the Corps meets the statutory requirements related to deauthorization of incomplete water resources studies, GAO recommends that the Secretary of Defense direct the Secretary of the Army to direct the Chief of Engineers and Commanding General of the U.S. Army Corps of Engineers to take the following action:

Establish and implement policies and procedures documenting the deauthorization process for studies, from initial compilation of a list of eligible studies to submitting the list to Congress.

USACE RESPONSE: Concur. By September 2016, the Corps plans to establish and implement policies and procedures documenting the deauthorization process for studies, from initial compilation of a list of eligible studies to submitting the list to Congress.

4

RECOMMENDATION 7: To ensure that the Corps meets the statutory requirements related to deauthorization of incomplete water resources studies, GAO recommends that the Secretary of Defense direct the Secretary of the Army to direct the Chief of Engineers and Commanding General of the U.S. Army Corps of Engineers to take the following action:

Determine what studies are eligible for deauthorization and transmit the list to Congress.

USACE RESPONSE: Concur. Once the Corps has established and implemented the policies and procedures documenting the deauthorization process for studies, the Corps will determine what studies are eligible for deauthorization and provide the list to ASA (CW) for transmittal to Congress by September 30, 2016.

Appendix III: GAO Contacts and Staff Acknowledgments

GAO Contact

Anne-Marie Fennell, (202) 512-3841 or fennella@gao.gov

Acknowledgments

In addition to the individual named above, key contributors to this report included Vondalee R. Hunt (Assistant Director), Cheryl Arvidson, Danny Baez, Elizabeth Beardsley, Cindy Gilbert, Geoffrey Hamilton, Kristin Hughes, Lisa S. Moore, Jerome Sandau, and Holly Sasso.

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