

**Statement of C.W. “Bill” Ruth
United States Commissioner**

**International Boundary and Water Commission
United States and Mexico**

**Before the Committee on Transportation and Infrastructure
U.S. House of Representatives
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Chairman Oberstar, Ranking Member Mica, and Members of the Committee, thank you for the opportunity to outline the progress made by the U.S. Section of the International Boundary and Water Commission (USIBWC) in implementing the American Recovery and Reinvestment Act of 2009 (Recovery Act). On February 17, 2009, President Barack Obama signed the Recovery Act into law. The Recovery Act is an unprecedented effort to jumpstart the economy, create or save millions of jobs, and improve infrastructure that will provide long-term economic benefits. The Recovery Act is an extraordinary response to a crisis unlike any since the Great Depression. With this in mind, I have made implementing the Recovery Act the number one priority of the USIBWC and I am committed to undertaking all actions necessary to move forward quickly, efficiently and with an unprecedented level of transparency and accountability.

The Recovery Act appropriated \$220 million to USIBWC’s construction account for the Rio Grande Flood Control project to fund immediate infrastructure upgrades along 506 miles of flood control levees maintained by the USIBWC along the Upper and Lower Rio Grande. Of that amount, up to \$2 million may be transferred to our salaries and expenses account in support of this activity.

Much of this levee system was originally constructed in the 1930s and 1940s as part of a bi-national flood control effort undertaken with Mexico in order to preserve the Rio Grande as the international boundary between the two countries and to protect lives and property of U.S. and Mexican residents on both sides of the river. The U.S. and Mexican Sections of the IBWC are responsible for the maintenance of the levees and floodways along the international reach of the Rio Grande that are located in their respective territory. Major improvements to the Lower Rio Grande Flood Control Project were undertaken by both countries in the 1970s after a 1967 hurricane revealed the need for enhanced flood protection. Between 1938 and 1943, the USIBWC also constructed and now maintains the levee system in the Rio Grande Canalization Project located in Texas and New Mexico upstream from the international boundary. This project facilitates the delivery of Rio Grande water to Mexico in accordance with a 1906 Convention, provides protection of lands along the project from floods, and regulates and controls the water supply for use in the United States and Mexico.

In 2002, the USIBWC began a multi-year project to rehabilitate deficiencies in the levee system, which constrains movement of the international boundary and provides flood

protection to many New Mexico and Texas cities including Las Cruces, El Paso, Presidio, Mission, McAllen, Harlingen, and Brownsville. Levee segments lacking adequate height or that may be structurally deficient are being rebuilt in order of priority by risk to population, property and economic development. Through 2008 the USIBWC received \$34.795 million for this flood control improvement effort through annual funding provided through the Department of State Foreign Operations and Related Programs Appropriation Acts. An additional \$37.5 million was appropriated for emergency repair and rehabilitation of the flood control system in the Disaster Relief and Recovery Supplemental Appropriations Act, 2008, after heavy flooding damaged U.S. levees in Presidio, Texas.

Approximately one million U.S. residents live in the Lower Rio Grande Valley. Due to its proximity to the Gulf of Mexico and related tropical weather systems, the Lower Rio Grande Valley is prone to hurricanes and annual flood events. Without needed repairs to the levee and flood-protection system, parts of the Rio Grande Valley face catastrophic damage should a major storm hit that area.

Likewise in the Upper Rio Grande approximately one million residents of New Mexico and Texas live in communities protected by USIBWC levees. El Paso, Texas and its sister-city of Ciudad Juarez, Chihuahua, Mexico form a bi-national metropolitan area of almost two and a half million residents, making this the second-largest bi-national metropolitan area on the U.S.-Mexico border. In the summer of 2006 this area experienced a major flood, which reinforced the need to raise levees in El Paso County to meet minimum height requirements established by FEMA.

The Recovery Act funding will afford the USIBWC the opportunity to accomplish in less than two years a large percentage of the levee rehabilitation work that had been previously been projected to take 20 years to complete. In doing so, we will enhance the protection of lives and property of almost three million U.S. border residents and achieve certification standards established by the Federal Emergency Management Agency (FEMA), thereby negating the need for residents to purchase costly flood insurance.

This project will stimulate the economy, create and save jobs, and lay the foundation for future economic growth and development due to the higher level of flood control protection that we will be able to provide. Reducing the risk of flooding along the Upper and Lower Rio Grande by rehabilitating deficient portions of these levee systems will provide increased safety to border residents and to business communities. We have estimated that pre-construction and construction activities could create or save over 700 jobs, but suspect that figure could go much higher once construction begins in earnest.

I have worked with my senior managers to develop a comprehensive plan and an aggressive schedule for Recovery Act implementation, designed to fully obligate the Recovery Act funding no later than September 2010. We have prioritized levee segments in the Upper and Lower Rio Grande Valley for Recovery Act funding based upon greatest impact to the largest number of residents, the greatest economic benefit and the segments

ready for FEMA certification. We undertook recruitment actions and hired additional term contract specialists and engineers. We have also developed five outcome and output measures to help monitor and report on the progress made to meet milestones and complete planned actions.

To date, we have met our scheduled milestones and expect to continue to do so until the construction phase is completed. Using Recovery Act funding, we initiated the procurement phase in March 2009. Within a month, we had issued 83% of the pre-construction contracts for outstanding environmental work, geo-technical analysis and design for 19 of 23 levee segments to undergo rehabilitation with Recovery Act funding. As of May 8, we have obligated over \$7 million and committed to award contracts valued at close to \$16 million. We have already created or saved 365 jobs in the pre-construction phase of our project. All geo-technical analysis and design and the remaining environmental documentation will be completed by October 2009. We anticipate that construction will begin this fall, that all construction contracts will be awarded by the end of December 2009, and that all planned construction to be undertaken with Recovery Act funding will be completed by February 2011.

USIBWC is working closely with the Department of State's Recovery Act Coordinator and other Department offices, including the Office of the Inspector General (OIG), to ensure compliance with the provisions of the Recovery Act, guidance issued by the Office of Management and Budget, and the President's Memorandum of March 20 that calls for merit-based decision-making. I have directed that USIBWC implement the Recovery Act with unparalleled transparency and full accountability to the American people.

To be fully transparent, USIBWC's progress is being reported weekly on the Recovery web site and on the Department of State Recovery web site. Additional details on the scope of our project and our project schedule can be located at <http://www.ibwc.state.gov/Recovery/Index.html>. All contracting actions will be posted on <http://www.fedbizops.com> and will be reported in the Federal Procurement Data System.

In order to ensure risk management and program integrity, USIBWC intends to monitor project work on a daily basis to ensure that performance, cost, and schedule goals are being met in accordance with the terms and conditions of the contracts. We will conduct frequent quality assurance inspections, submit progress reports against the contract schedule, and document timely inspections and acceptance of deliverables. Using the quality assurance inspection reports, we intend to take prompt actions to remedy deficiencies related to contractor performance, cost, and schedule. We are planning on working with the Department of State to conduct peer review of solicitations. I have directed my Compliance Office to tighten internal controls by conducting internal audits of selected Recovery Act contracts through duration of project and to develop an anti-fraud awareness initiative. We have already begun conducting fraud training for staff.

In addition, activities undertaken with Recovery Act funding to further the Rio Grande Flood Control Project, will be subject to annual financial audit by an independent auditor selected by the OIG. The OIG will monitor adherence to the agency's risk management objectives and exercise oversight over waste, fraud and abuse. The public is encouraged to report instances of waste, fraud and abuse to the Department of State OIG hotline, which can be located on both the Department of State and USIBWC websites.

USIBWC is proud to be contributing to this important effort to bring about economic recovery, while at the same time providing long-term public benefits and infrastructure improvements to the U.S.-Mexico border.