



DEPARTMENT OF THE ARMY
GALVESTON DISTRICT, CORPS OF ENGINEERS
P. O. BOX 1229
GALVESTON, TEXAS 77553-1229

June 1, 2004

Programs Management Office

Dear :

Previously this year I sent you letters to raise your awareness of the funding problems Galveston District is currently experiencing with much of our planning, construction, and operation and maintenance (O&M) programs. I continue to feel it is important that I keep you updated on the funding status of these programs that are critical to water resource requirements and environmental sustainability issues along the Texas coast.

In my last letter to you, I stressed the critical funding shortage the District was facing in the O&M program for fiscal year 2004. Since that letter, the District has received additional funding from our headquarters that was immediately used to fund O&M contractors who were not being paid. Despite this additional limited funding, we continue to be severely under funded in our O&M program, and the District is forced to continue our moratorium on future contract awards. We will still not be conducting maintenance dredging of the projects I listed in the last letter.

In my last letter I also mentioned the status of the District's on-going planning (study) and construction programs, stating that despite the funding shortage these programs face, many of the projects would continue to be sustained at a minimal level. The construction program continues to face shortages, but to date we have been able to fund all contractor earnings and continue work on these projects.

That is not the case with the District's general investigation (planning study) program. I have already been forced to stop work on one general investigation (GI) project, Gulf Intracoastal Waterway (GIWW)-Matagorda Bay Relocation, because no additional funding was available. In an attempt to proactively manage this funding shortage and to use the remaining GI funding as efficiently as possible, I directed that an analysis be conducted to determine which GI projects could be stopped immediately to provide additional funding for the remaining GI projects. The results of this analysis will be available in about one week, and at that time I will direct that those identified projects be stopped for the remainder of fiscal year 2004. Stopping the identified projects will provide additional funding needed to continue the remaining projects only at a minimal level. The District will seek additional GI funding to continue the remaining projects at their optimum schedule.

I continue to be personally involved in managing the limited resources designated for all of the vitally important projects along the Texas Coastline. I invite you to participate in our monthly Project Review Boards where many of these issues will be addressed. Please contact Mr. Arthur Janecka (409) 766-3018) to be added to the notification list.

Again, I thank you and your staff for your continued support as we work together on projects that are essential to the economy of Texas. A copy of this letter can be found on the Galveston District web page under the "Hot Topics" column at <http://www.swg.usace.army.mil/>. If we can be of service to you in any way, please feel free to contact me or my civilian deputy, Mr. Herbie Maurer .

Sincerely,

LEONARD D. WATERWORTH
Colonel, EN
Commanding