



STATE OF ARKANSAS
OFFICE OF THE GOVERNOR

Mike Huckabee
Governor

March 16, 2001

Mr. Mitchell Daniels, Jr., Director
Office of Management and Budget
Eisenhower Executive Office Building
17th Street and Pennsylvania Avenue, NW
Washington, DC 20503

Dear Mr. Daniels:

I am writing to discuss the severe ground water depletion problems in Eastern Arkansas. This is one of the most critical problems currently facing the State of Arkansas and soon to be manifested in many other areas of the country that have traditionally had abundant water.

The severe ground water depletion that has occurred in Eastern Arkansas is threatening the very existence of two regional aquifers, one of which supplies the area's drinking water. The alluvial aquifer primarily supplies water for irrigated agriculture, but because this aquifer is being depleted, agriculture is turning to the Sparta aquifer that normally supplies drinking water for the region. It is unlikely that the Sparta aquifer will recover once depleted. Irrigated agriculture is the basis of the regional economy in the Grand Prairie area. Without a source of water, farm receipts in this region will decrease by \$46 million annually. Traditionally, agriculture has been the backbone of Arkansas and the one of the few segments of the national economy that has a trade surplus.

Arkansas has worked with the Corps of Engineers for many years to identify a solution to the problems in the Grand Prairie region and are currently working to develop solutions in the Bayou Meto Basin as well as the Boeuf-Tensas area. The Grand Prairie Area Demonstration Project is currently authorized for construction by the Corps. The project consists of efficiency measures, additional water storage, environmental features and an import water system to maintain irrigated agriculture in the project area. The project would provide enough water to reduce the use of the alluvial to a sustainable amount and reserve the use of the Sparta for drinking water and industry. The project has completed all environmental reviews needed prior to construction. A review of the water sources in conjunction with an oversight committee appointed by my task force on water resources was recently completed with recommendations to proceed with the project. An agreement for construction of the project has been executed between Arkansas and the federal government, and construction of the on-farm efficiency and storage features has been initiated.

The Bayou Meto Basin Project will likely have similar features but with a very large flood control component to address the major flooding problems in the basin.

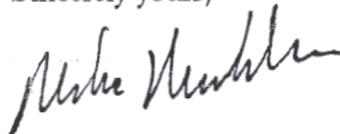
I have reviewed the Corps of Engineers' budget in your "Blueprint for New Beginning, A Responsible Budget for America's Priorities." For the Mississippi River and Tributaries program, you indicate that the budget will target funds to high priority flood damage reduction projects and redirect funds away from other ongoing projects. Projects to protect the aquifers and provide for continued irrigated agriculture are vital to Arkansas. These projects provide a demonstration of solutions to problems that are being experienced across the southeast. I am deeply concerned that adequate funding to continue the Bayou Meto re-evaluation and construction of the Grand Prairie Project will not be included in the budget request.

I respectfully request that funds in the amount of \$37 million be included in your budget for the Grand Prairie Area Demonstration Project and \$2.5 million be included for the Bayou Meto Basin Project. The funds for Grand Prairie would enable the initiation of construction of the pumping station and pipeline necessary to bring water into the project area and continue construction of the on-farm efficiency and storage features. Funds for the Bayou Meto Basin Project would be used to complete and process the project reports necessary for authorization. I believe that if funding is cut on these much needed projects, it will be difficult, if not impossible, to restore adequate funding levels in the appropriation process.

Just recently, I wrote the Memphis District of the Corps expressing my full support for the project and urging speedy construction to save the aquifers. Arkansas executed the Project Cooperation Agreement for construction of the project and agreed to meet all local requirements. This fiscal year, \$23 million in state and local funds are being contributed, an amount larger than the fiscal year 2001 federal appropriation. In fiscal year 2002, \$19.8 million in local and state funds will be contributed for project construction. In addition, \$16 million in state and local funds will be used for purchase of project rights-of-way and relocations. No federal funds will be required for operation and maintenance once the project is constructed. Any funding problems that extend the construction period would greatly increase the local cost sharing contributions for the project. This project represents a federal, state, and local partnership to invest in infrastructure that provides long-term economic benefits to our nation.

I know that you understand the importance of clean and abundant water to the nation. While flood control is important, water supply issues will come to the forefront early in this century. We have the opportunity to create the infrastructure to continue agricultural production important to the nation and critical to the region in a cost-effective partnership.

Sincerely yours,



Mike Huckabee



STATE OF ARKANSAS
OFFICE OF THE GOVERNOR
State Capitol
Little Rock 72201

Mike Huckabee
- Governor

March 15, 2001

The Honorable George W. Bush
President of the United States
1600 Pennsylvania Avenue, NW
Washington, DC 20500-2000

Dear President Bush:

I am writing to discuss the severe ground water depletion problems in Eastern Arkansas. This is one of the greatest resource problems currently facing the State of Arkansas and soon to be manifested in many other areas of the country that have traditionally had abundant water.

The severe ground water depletion that has occurred in Eastern Arkansas is threatening the very existence of two regional aquifers, one of which supplies the area's drinking water. The alluvial aquifer primarily supplies water for irrigated agriculture, but because this aquifer is being depleted, agriculture is turning to the Sparta aquifer that normally supplies drinking water for the region. It is unlikely that the Sparta aquifer will recover once depleted. Irrigated agriculture is the basis of the regional economy in the Grand Prairie area. Without a source of water, farm receipts in this region will decrease by \$46 million annually. Traditionally, agriculture has been the backbone of Arkansas and the one of the few segments of the national economy that has a trade surplus.

Arkansas has worked with the Corps of Engineers for many years to identify a solution to the problems in the Grand Prairie region and are currently working to develop solutions in the Bayou Meto Basin as well as the Boeuf-Tensas area. The Grand Prairie Area Demonstration Project is currently authorized for construction by the Corps. The project consists of efficiency measures, additional water storage, environmental features and an import water system to maintain irrigated agriculture in the project area. The project would provide enough water to reduce the use of the alluvial to a sustainable amount and reserve the use of the Sparta for drinking water and industry. The project has completed all environmental reviews needed prior to construction. A review of the water sources in conjunction with an oversight committee appointed by my task force on water resources was recently completed with recommendations to proceed with the project. An agreement for construction of the project has been executed between Arkansas and the federal

government, and construction of the on-farm efficiency and storage features has been initiated. The Bayou Meto Basin Project will likely have similar features but with a very large flood control component to address the major flooding problems in the basin.

I have reviewed the Corps of Engineers' budget in your "Blueprint for New Beginning, A Responsible Budget for America's Priorities." For the Mississippi River and Tributaries program, you indicate that the budget will target funds to high priority flood damage reduction projects and redirect funds away from other ongoing projects. Projects to protect the aquifers and provide for continued irrigated agriculture are vital to Arkansas. These projects provide a demonstration of solutions to problems that are being experienced across the southeast. I am deeply concerned that adequate funding to continue the Bayou Meto re-evaluation and construction of the Grand Prairie Project will not be included in the budget request.

I respectfully request that funds in the amount of \$37 million be included in your budget for the Grand Prairie Area Demonstration Project and \$2.5 million be included for the Bayou Meto Basin Project. The funds for Grand Prairie would enable the initiation of construction of the pumping station and pipeline necessary to bring water into the project area and continue construction of the on-farm efficiency and storage features. Funds for the Bayou Meto Basin Project would be used to complete and process the project reports necessary for authorization. I believe that if funding is cut on these much needed projects, it will be difficult, if not impossible, to restore adequate funding levels in the appropriation process.

Members of the Corps have expressed concerns that the local requirements for the Grand Prairie Area Demonstration Project would not be met to enable construction of the pumping station to begin next fiscal year. Just recently, I wrote the Memphis District of the Corps expressing my full support for the project and urging speedy construction to save the aquifers. Arkansas has been fully involved in the project planning contributing more than \$1 million for cost shared feasibility studies. Arkansas executed the Project Cooperation Agreement for construction of the project and agreed to meet all local requirements. This fiscal year, \$23 million in state and local funds are being contributed, an amount larger than the fiscal year 2001 federal appropriation. In fiscal year 2002, \$19.8 million in local and state funds will be contributed for project construction. In addition, \$16 million in state and local funds will be used for purchase of project rights-of-way and relocations during the next fiscal year. No federal funds will be required for operation and maintenance once the project is constructed. Any funding problems that extend the construction period would greatly increase the difficulty of financing the

considerable amount of cost sharing contributions for the project. I fully support your fiscal policies and believe that the federal government cannot be called upon to solve all the nation's problems. However, this project represents a federal, state, and local partnership to invest in infrastructure that provides national as well as local benefits and a return to the economy on the investment.

From your experiences in Texas, I know that you understand the importance of clean and abundant water to the nation. While flood control is important, water supply issues will come to the forefront early in this century. We have the opportunity to create the infrastructure to continue agricultural production important to the nation and critical to the region in a cost-effective partnership. I look forward to continuing these important projects with the Corps of Engineers.

Sincerely yours,



Mike Huckabee

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cc: Arkansas' Congressional Delegation