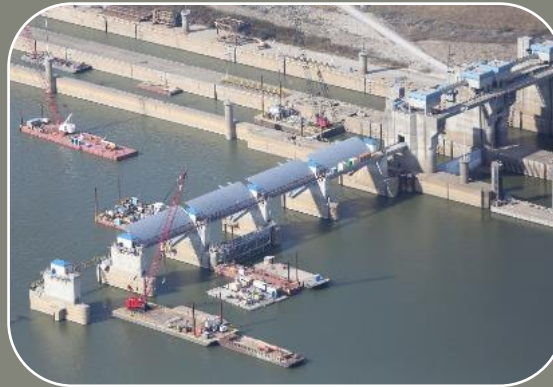


U.S. ARMY CORPS OF ENGINEERS CIVIL WORKS PROGRAM UPDATE



Waterways Council, Inc
Washington DC
February 13, 2019

Edward E. Belk, Jr PE
Chief, Civil Works Programs Integration Division
Headquarters, US Army Corps of Engineers

World-Class Delivery...
Real-World Impact!



**US Army Corps
of Engineers**



Army Civil Works National Leadership



Department
of the Army



LTG Todd Semonite
Chief of Engineers



HON R.D. James
ASA(CW)



Ryan Fisher
PDASA



Joe Bentz, SES
DASA, Mgt/Budg



David Leach, SES
DASA, Proj Review



Deana Funderburk
DASA, Policy/Leg



HQ,
US Army
Corps of
Engineers



MG Scott Spellmon
DCG-Civil/Emerg Ops



James Dalton, SES
Director of Civil Works



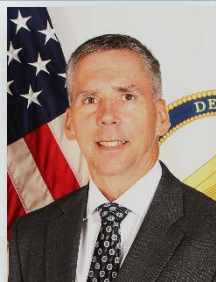
Eddie Belk, SES
Chief, Programs



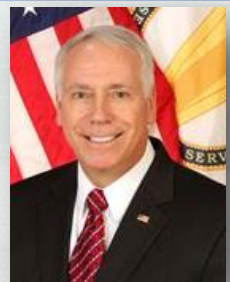
Dr. Larry McCallister, SES
Chief, Engineering & Const



Joe Redican
Acting Chief, Plng/Policy



Tom Smith, SES
Chief, Ops/Reg



Ray Alexander, SES
Director, Contingency Ops



Dr. Joe Manous
Director
Institute for Water Resources

Corps Enterprise Leadership

Brenda Johnson-Turner, SES
Karen Baker, SES
Sally Pfenning, SES
Dr David Pittman, SES
David Cooper, SES
BG Michael Hoskins

Real Estate
Environmental
IIS
ERDC
Chief Counsel
Contracting

Army Civil Works Regional Leadership

NAD

CG: MG Jeffrey Milhorn
PD: Wes Coleman (A)
RBD: Rhino Reinhart



LRD

CG: MG Mark Toy
PD: Steve Durrett
RBD: Phil Johnson (A)



MVD

CG: MG Rick Kaiser
PD: Jim Bodron
RBD: Tom Holden



NWD

CG: BG Peter Helmlinger
PD: Dave Ponganis
RBD: Eric Hansen



Northwestern Division (NWD)

Great Lakes & Ohio River Division (LRD)

North Atlantic Division (NAD)

South Pacific Division (SPD)

Southwestern Division (SWD)

South Atlantic Division (SAD)

Mississippi Valley Division (MVD)

Pacific Ocean Division (POD)

SAD

CG: BG Diana Holland
PD: Al Lee
RBD: Tab Brown



SWD

CG: BG Paul Owen
PD: Mark Mazzanti
RBD: Pete Perez



POD

CG: BG Tom Tickner
PD: Gene Ban
RBD: Gary Kitowski



SPD

CO: COL Kimberly Colloton
PD: Cheree Peterson
RBD: John Moreno



SECURING OUR NATION'S FUTURE THROUGH WATER



Navigation - Commerce, Int'l Markets, Trade
USACE Operates 25,000 miles of Commercial Waterways; Generates \$18 B Annually; Supports 20% of US Jobs, 1/3 of GDP; Transportation = Decisive US Competitive Advantage

Flood and Disaster Risk Reduction
USACE Prevents ~ \$10 in Flood Damages per \$1 Invested; 14,700 Miles of Levees → 12,700 Miles = Local O&M; 700 USACE Dams vs 87,000 National Inventory of Dams

Environment - Ecosystem Restoration and Environmental Stewardship

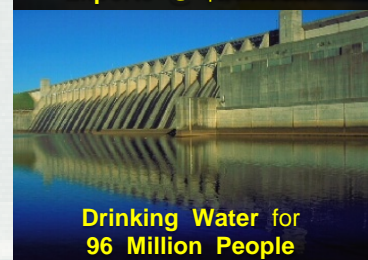
Hydropower - Inexpensive, Sustainable
USACE is the Nation's Largest Renewable Energy Producer
25% of US Hydropower, 3% of Total US Electricity

Drinking Water
USACE Produces 6.5 Billion Gallons per Day

Quality of Life – Local Economic Engines
USACE is Major Federal Provider of Outdoor Recreation, Contributing > \$11 B to Local Economies

Disaster Preparation/Response

Regulatory



Civil Works Challenges & Opportunities

- **Infrastructure Investment = Global Challenge**
- **Corps Civil Works Portfolio: 3,000+ Operational Projects, with Replacement Value of Approx \$268B**
- **Expanding Demands for CW Infrastructure Maintenance, Operations, and Capital Investment**
 - Civil Works New Construction Backlog → \$ 76B
 - Dam Safety Backlog (DSAC 1 & 2) → \$ 20B
 - Some Negative Perf Trends Across Portfolio
 - Aging CW Systems → Facing ReCap Phase of Lifecycle
 - \$2.5B Deferred Maintenance Backlog
- **Expanding Demands Serviced by ~\$4.6B Annual Budget Nationally.....Requirements Significantly Outpacing Resources**

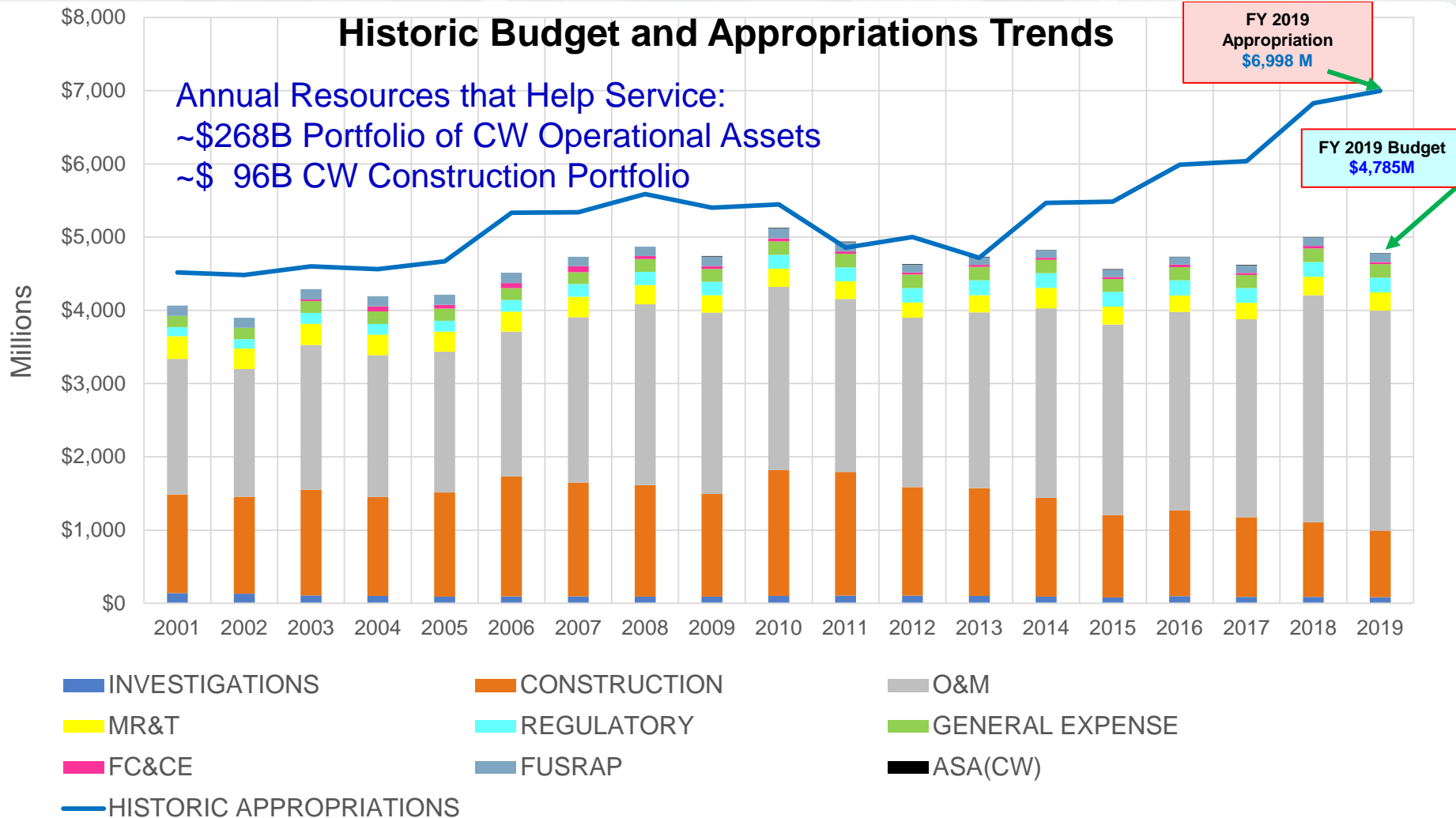


Civil Works Investment Trends

(Excludes Supplemental Funding)

Historic Budget and Appropriations Trends

Annual Resources that Help Service:
~\$268B Portfolio of CW Operational Assets
~\$ 96B CW Construction Portfolio



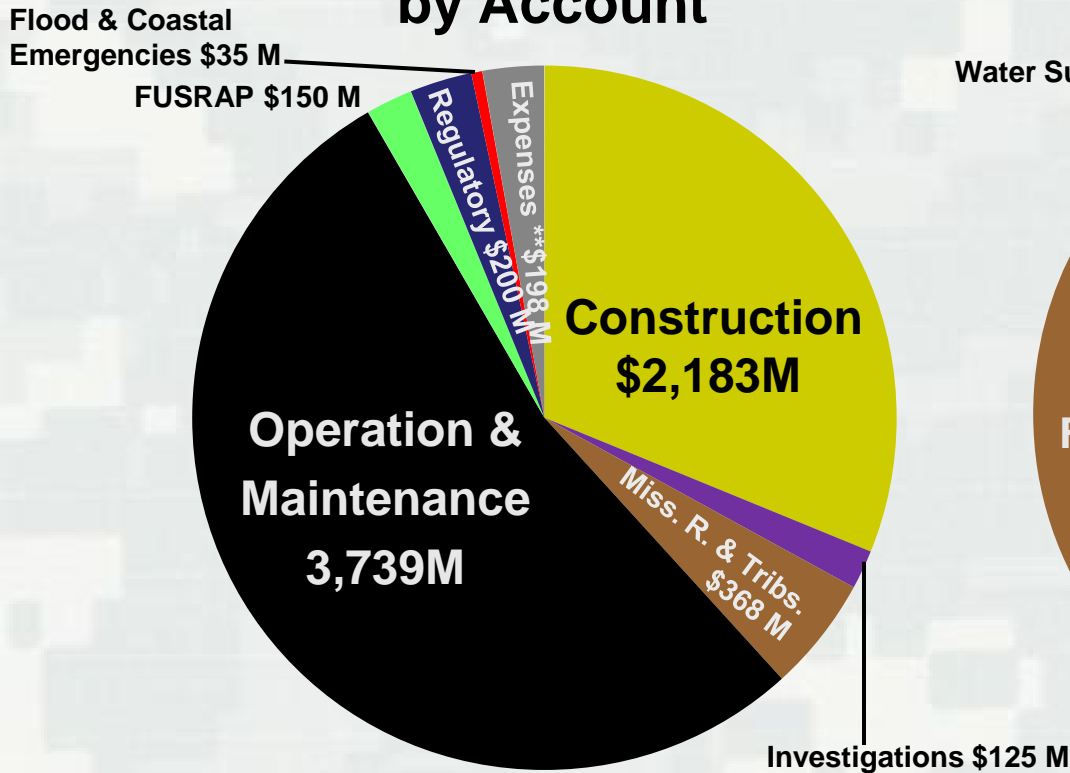
FY19 Appropriation is ~46% Increase above FY19 Budget

FY 2019 Appropriation

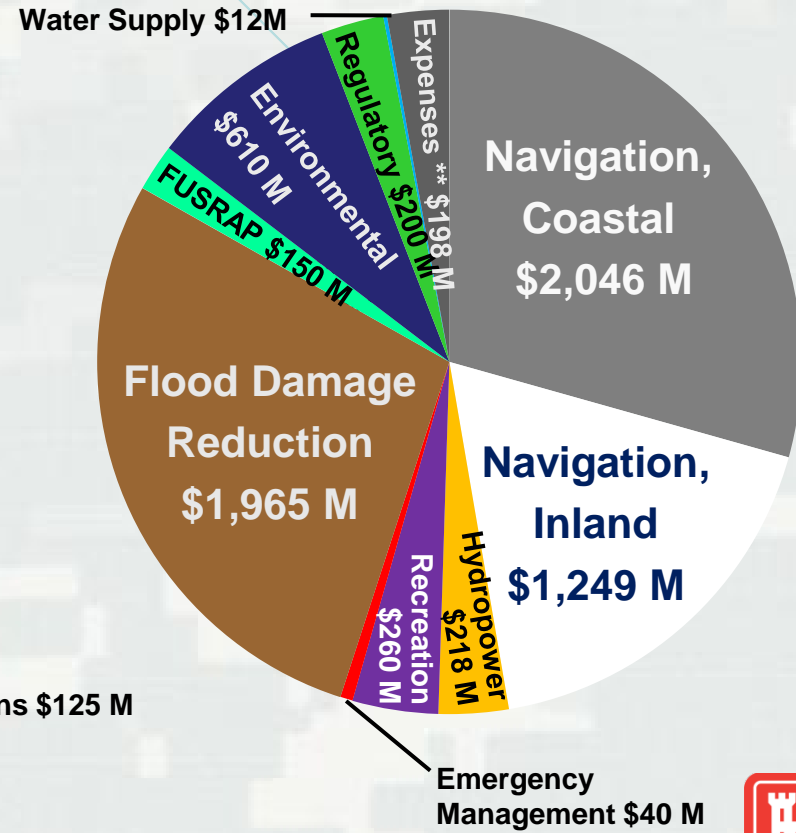
(\$ Millions)

Total: \$6.998 Billion

by Account



by Business Line



** Includes Office of Asst. SecArmy (Civil Works)



BUILDING STRONG®

Major Construction Projects in FY19

Work Plan (Over \$10m)



Major Construction Projects in FY 19 Budget (Over \$10m)



Key Budgeting Metrics

• Construction

- **All** – Meet Environmental, Legal, Mitigation Requirements
- FRM, **NAV**, HYDRO – Benefit to Cost Ratio (BCR)
- FRM, **NAV** – Dam Safety & Seepage Stability (Continuing DSAC 1 & 2)
- FRM – Risk to Life Index (Warning Time, Flow, Depth, etc)
- AER – Point Values for Loss Prevention of Significant Natural Resources

• Operation and Maintenance

- FRM, **NAV**, HYDRO – Risk & Consequences Assessment
- AER, ENS, FRM, **NAV**, HYDRO – Biological Opinion; Efficiency of habitat acres improved.
- REC – Park Capacity and Facility Condition Index, Visitation ...
- **NAV** – Tonnage movements (Harbors: tons; Waterways: ton-miles)

• All Accounts

- Continuing Work; New Work; Completing Work; Years to Complete
- ESA & Regulatory Compliance
- Health, Safety, Caretaker, Legal, Subsistence



U.S. HURRICANE LANDFALLS

2017



HARVEY (CAT. 4)
ROCKPORT, TEXAS
AUG. 25



NATE (CAT. 1)
LA/MS
OCT. 7-8



IRMA (CAT. 4)
SOUTH FLORIDA
SEP. 10



MARIA (CAT. 4)
PUERTO RICO
SEP. 20

The
Weather
Channel



BUILDING STRONG®

FY18 EMERGENCY SUPPLEMENTAL: \$17.4B

- ☐ **Public Law 115-123, Bipartisan Act of 2018 (enacted 9 Feb 2018)**
- ☐ **Investigations → \$135M, 38 Study Activities (5 Ongoing; 33 Not-ongoing)**
 - ☐ Initiate and/or Complete Current/Future Auth Studies, 100% Fed
 - ☐ \$75M for HIM Impacted States (5 States/2 Territories) + Up to \$60M for Other Impacted States (Total 33/3)
- ☐ **Construction → \$15.1B, 58 Projects (32 Ongoing; 26 Not-ongoing)**
 - ☐ \$15B to Construct FRM Projects: Already Auth; Future Auth; Chief's Report as of 9 Feb (not yet auth) w/ASA determination; Studied using PL 115-123 Investigations funds w/ASA determination
 - ☐ \$10.4B for HIM Impacted States (5/2); \$4.6B for Other Impacted States (Total 33/3)
 - ☐ Projects in PR/VI 100% Fed; Suppl \$\$ applied to 'On-going const' projects cost-shared at 100% Fed; other projects (NOT ongoing) - normal cost-share applies except that the non-Federal cash contributions may be financed payable option over a 30 year finance period upon project completion
 - ☐ Up to \$50M for FRM CAP Projects - 7 Projects (5 Ongoing; 2 Not-Ongoing)
- ☐ **Mississippi Rivers & Tributaries → \$770M Total - \$400M, 2 Ongoing Long-term Projects (Channels/Levees) / \$370M, 10 Short-term Projects**
 - ☐ Already Auth and/or Auth after enactment for emergencies
- ☐ **Operations & Maintenance → \$608M, 90 Projects (Short-term Emergency Repairs)**
 - ☐ Dredge Fed Nav Channels and Repair Damages
- ☐ **Flood Control & Coastal Emergencies → \$810M, 81 Projects (Short-term Emergency Repairs)**
 - ☐ Includes Auth Shore Protection Projects to Full Project Profile at Full Federal Expense
- ☐ **Expenses → \$20M**

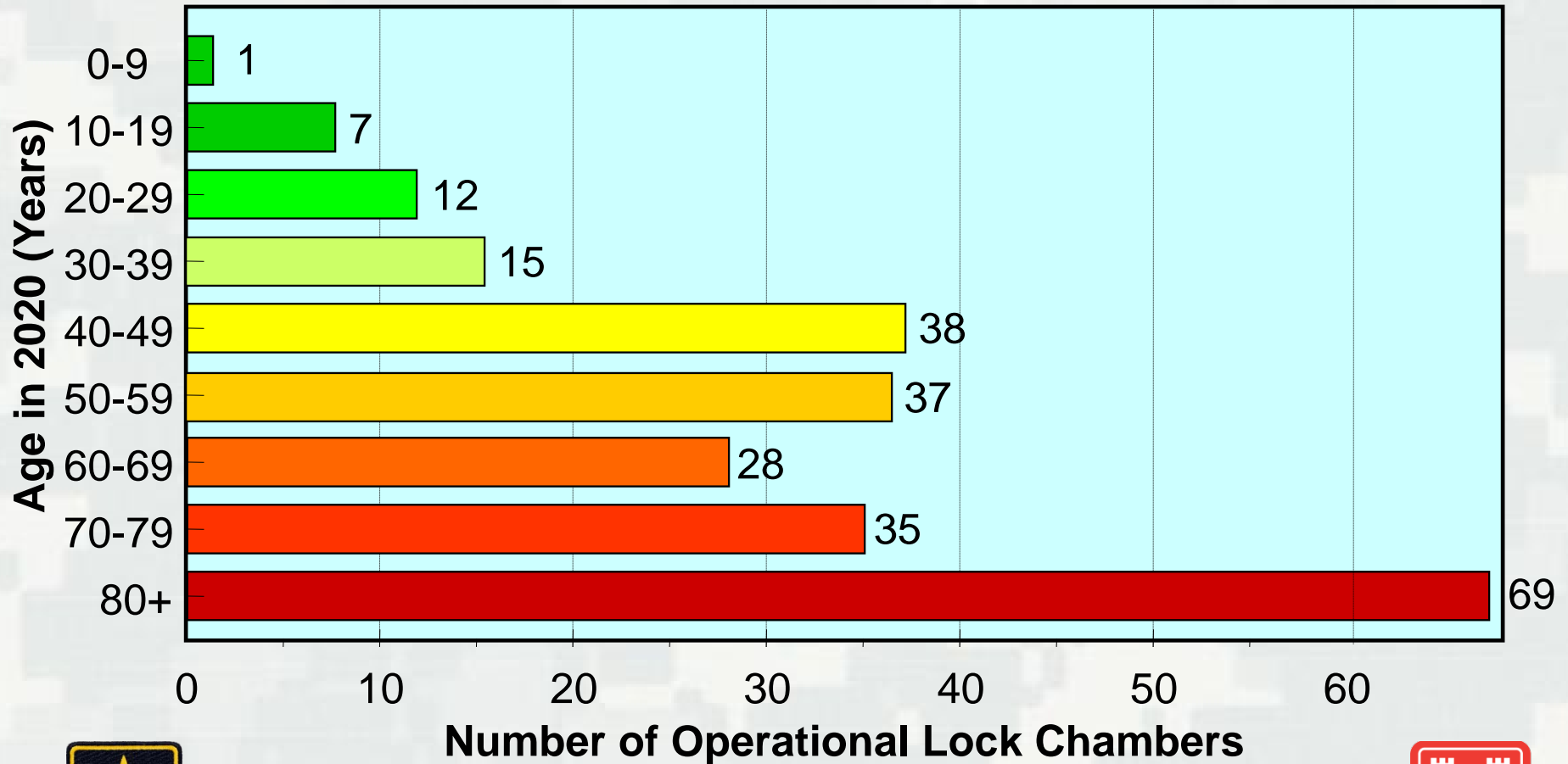


**US Army Corps
of Engineers**





Age of Corps Lock Portfolio in 2020



*Includes All Operational Deep and Shallow Draft Corps
and TVA Navigation Locks and Control Structures.

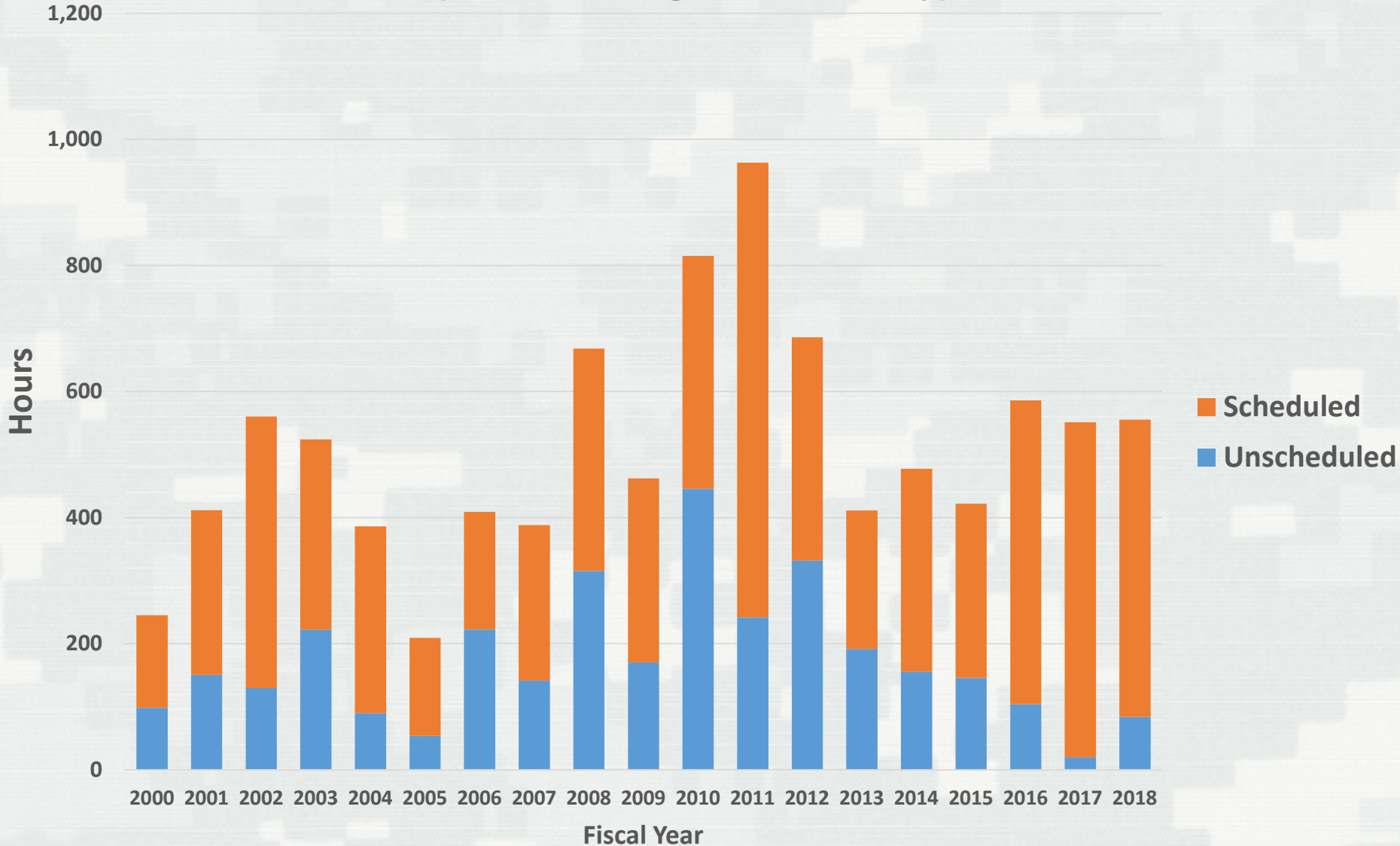


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National Lock Portfolio Service Trends

Main Chamber Mechanical Unavailable Hours

(Events Longer than 1 Day)





US Army Corps
of Engineers.

Olmsted Locks and Dam Operational August 2018





US Army Corps
of Engineers.



What's Next?

Capital Investment Strategy....



Current Civil Works Realities

- Traditional Funding and Delivery Models Increasingly Inadequate, More Agile Processes and Thinking Now Necessary
- Administration, Congress and Partners Increasingly Demanding Change in both Federal Permitting and Delivery of Federal Programs
 - Historic Level of Congressional Oversight Engagements
 - More Partners Turning to Alternative Delivery Models
- Significant Challenges and Opportunities
 - Historic FY18 and FY 19 Appropriation Levels
 - Historic Storm Supplemental (\$17.4B)
 - Infrastructure Investment an Administration and Congressional Priority
- How is the Corps Responding?
 - Drive to Deliver on Projects, Programs, Commitments
 - Powering Down Decision-Making
 - Working Closely with and Listening to Partners
 - Revolutionizing Civil Works



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US Army Corps
of Engineers.

OBJECTIVE

01

Accelerate Project Delivery

Start and Finish Projects Faster



- Project Delivery Strategies
- Acquisition Processes and Tools
- Risk-Informed Decision-Making and Delegated Decisions
- Innovation

OBJECTIVE

02

Transform Project Financing and Budgeting

Leverage New Tools/Processes



- Alternative Financing Tools
 - WIFIA Loans
 - P3 Pilot Program
- Civil Works Budgeting
- Funding Flexibilities

OBJECTIVE

03

Improve Permitting and Regulation Reform

Streamline; Eliminate Duplication



- Environmental Reviews and Permits
- Mitigation
- Permitting Processes
- Regulation Reform



REVOLUTIONIZE USACE CIVIL WORKS

Closing Thoughts

- USACE Budget Continues to be Constrained, Addressing the Nation's Infrastructure Investment Gap a Shared Federal, State and Local Responsibility
- The Corps Doesn't Deliver Anything by Itself... Critical that we not Lose Focus on Our Partners, Stakeholders, and our Commitments
- Navigation Investment is Essential for the Nation's Global Competitiveness and Economic Security
- America's Marine Transportation System Infrastructure Must be a National Priority to Assure Adequate Levels of Investment
- Navigation Investment is Key to National Economy, Jobs, and Exports



Thank You!!

