The Army Civil Works Program

Presentation to
National Waterways Conference Legislative Summit

Steven L. Stockton, P.E.
Director of Civil Works

17 March 2015
### CW's Economic Benefits & Revenues to Treasury

#### (2010-2012 Average)

**Each dollar spent on the USACE Civil Works program generated ~ $16 in economic benefits and $5 in revenues to the U.S. Treasury.**

<table>
<thead>
<tr>
<th>Program</th>
<th>NED Benefits (Billions of Dollars)</th>
<th>Net NED Benefits (Billions of Dollars)</th>
<th>U.S. Treasury Revenues (Billions of Dollars)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Flood Risk Management</td>
<td>$59.47</td>
<td>$58.84</td>
<td>$18.90</td>
</tr>
<tr>
<td>Coastal Navigation</td>
<td>$9.47</td>
<td>$8.70</td>
<td>$3.70</td>
</tr>
<tr>
<td>Inland Navigation</td>
<td>$8.10</td>
<td>$7.51</td>
<td>$2.07</td>
</tr>
<tr>
<td>Water Supply</td>
<td>$7.00</td>
<td>$6.98</td>
<td>$0.09</td>
</tr>
<tr>
<td>Hydropower</td>
<td>$2.30</td>
<td>$2.11</td>
<td>$1.37</td>
</tr>
<tr>
<td>Recreation</td>
<td>$3.20</td>
<td>$2.91</td>
<td>$1.13</td>
</tr>
<tr>
<td>Leases and Sales</td>
<td></td>
<td>$0.03</td>
<td></td>
</tr>
<tr>
<td><strong>Total Annual NED</strong></td>
<td><strong>$89.54</strong></td>
<td><strong>$87.05</strong></td>
<td><strong>$27.29</strong></td>
</tr>
</tbody>
</table>

**Notes:**

1. Net NED benefits are defined as NED benefits less the costs of operations, maintenance, and investigations. Since the costs associated with expenses and oversight by the Assistant Secretary of the Army (ASA) serve all Corps programs, including those we did not calculate benefits for in this report, this report does not account for those costs. 

2. The Benefits and Revenues numbers are not additive.
The Current Situation

- A No-Earmark environment
- Too many studies/projects funded at less than capability
- Projects and Studies take too long to complete and cost too much
- Sponsors and Stakeholders are frustrated by the lack of progress, increased time and costs
- We under-emphasize quality assurance and quality products
- In a budget constrained era, we must do what it takes to be RELEVANT!!…
- All of which adds up to …
An Imperative To Change!
Transforming Civil Works

Deliver enduring & essential water resource solutions by applying effective transformation strategies.

Planning Modernization

Budget Development Transformation

Quality Solutions & Services

Infrastructure Strategy
Planning Modernization

A streamlined project planning process that delivers timely, cost effective and high quality water resources investment recommendations for authorization.

- Studies must continue to inform investment decisions
- Improved time, schedule, and alignment of studies (SMART guidelines of “3x3x3” is now the law)
- Prioritize studies to account for funding constraints, and identify gaps to meet the nation’s need
- A reduced planning study portfolio
  - 38 Chief’s reports completed
  - 9 Chief’s reports to be completed Dec 2014
  - Reduced portfolio from 650 to 158
Budget Development Transformation

A systems budgeting approach that enables development of comprehensive integrated water resources investments

- Operationalize integrated water resource management by Water Informed Budget Execution
- Expand watershed-informed pilots to include a majority of our projects
- Engage stakeholders to identify opportunities investment priorities
- Standardize business process that utilize watershed approaches
Quality Solutions & Services

Solutions and services are delivered effectively, efficiently, sustainably.
• Keep our commitments – Deliver projects on time and budget (public trust & confidence is a “resource driver”)
• Enhance technical competency and methods of delivery (knowledge management, information sharing, policies, guidance, etc)
• Consistently deliver quality technical solutions (leverage CX’s and Review Processes)
• Restore, protect, and manage our aquatic resources
• Develop and implement a climate preparedness and resilience roadmap
• Complete regulatory decisions faster
Infrastructure Strategy

A resilient, reliable, sustainable water resources infrastructure system

- Asset Mgmt, Apply Life Cycle Portfolio Mgmt, and Alternative Financing (P3 Pilots, and other mechanisms) and O&M Efficiencies
- Optimize O&M efficiencies by Completing regional level of service analyses and optimization plans
- Alternative financing, reduce time with model contributed funds agreements and identify public-private partnership (P3) projects
- Coordinated systems (within watershed) based investment decisions – apply WRRDA and make divestiture decisions
Public-Private Partnership Possibilities

- Recreation
- Hydropower
- Harbors
- Flood Risk Management
- Disaster Recovery

Leveraging Private and Other Agency Capital
**Alternative Financing Approach**

- **Contrib Funds P3s**
  - 120 Day Approval Process for Model Agreements
  - WRRDA 2014 Implementing Guidance for Contributed Funds
  - All O&M CF agreements completed within 120 days of initiation by District

- **WIFIA**
  - Local CF Availability

- **Divestiture**
  - No WIFIA Funding in FY15 (USACE)

- **ESPC’s**
  - xx Working or In Place Across USACE Valued at $???

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**Key:**
- UCP Items
- UCP Support Items
- Challenges
- Small Wins

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**Continuous Strategic Communications**

- OMB, ASA(CW), Congress
- MSC Road Shows
- National, Regional, Local Stakeholders
- P3 101 Roll Out to FOAs
WRRDA 2014
Navigation Provisions

Harbor Maintenance Trust Fund (HMTF)
• 67% of funds collected in 2014 actually go for harbor maintenance,
• Rate rises to 100% of funds collected in 2024.

Inland Waterways Trust Fund (IWTF)
• Review of ways to increase revenue collections for inland waterways.
  (increased fuel taxes, user fees, construction bonds, etc.)
WRRDA Implementation

- Staff continues to work through all the provisions of WRRDA. There are close to 200 provisions that need to be addressed in some manner.

- Corps submitted Annual Report required by Section 7001 of WRRDA 14 on activities related to USACE missions that require specific authorization in law.

- Initiated development of lists of candidate projects for deauthorization to reduce backlog pursuant to Secs. 6001 and 6003 of WRRDA 14.

- Updated guidance on acceptance of contributed funds per Secs. 1015 and 1023.

- Actively evaluating and developing guidance for provisions in WRRDA that support other mechanisms for funding development of water resources infrastructure – either public-private partnerships or enhanced non-Federal participation.
"Waters of the U.S." Rulemaking

- Under Sec. 404, Clean Water Act, USACE regulates discharges of dredged and/or fill material into waters of the United States.

- Definition of "waters of the United States" subject to much litigation since CWA first passed in 1972.

- Rulemaking necessary to reflect Supreme Court rulings regarding jurisdiction.

- Corps currently using 1986 regulations, clarified by guidance issued in 2003 and 2008, and will continue to do so until final rule is published and takes effect.
“Waters of the U.S.” Rulemaking

• Rule intended to provide additional clarity, transparency, efficiency, and improve national consistency.

• Published in Federal Register for public comment on 21 Apr 2014. Comment period ended 14 Nov (extended on 21 Jul and again on 20 Oct).

• ~1,000,000 comments received; ~20,000 unique comments.

• Agencies working to organize, read, and use comments to inform draft final rule language; also a document which responds to comments.

• Expect slight increase in jurisdictional tributaries, adjacent waters, and other waters.

• Implementation predicted to involve new business processes (e.g., jurisdictional determinations (JD’s), documentation forms and policy for pending or near expiring JDs), new technical tools, field training, and public/stakeholder outreach.

• Draft final rule expected to be sent to OMB in spring 2015.

• Estimated time for issuing final rule is early 2015.
Executive Orders 11988 & 13690 require all future federal investments affecting floodplains to meet level of resilience established by the Federal Flood Risk Management Standard (FFRMS).

Post Hurricanes Katrina and Sandy, USACE incorporates best available science and data, including sea level rise projections and climate resilience, into our water resources project planning and design.

- FFRMS not expected to impact Public Law 84-99 or emergency actions.
- Standard is not retroactive; will only apply to new federal actions.
Federal Flood Risk Management Standard (FFRMS)

• FFRMS consistent with recommendations of recently released North Atlantic Coast Comprehensive Study (NACCS). Both aim to reduce risk and increase resilience in withstanding and rapidly recovering from storm damages.

• FFRMS encourages use of natural systems, ecosystem processes, and nature-based approaches.

• USACE will seek public dialogue as we develop Implementing Guidance. We remain engaged in development of interagency Implementing Guidelines, will participate on technical writing team.

• Several stakeholders desire to extend 60-day timeframe for public input on Implementing Guidelines. USACE will consider all public comments regarding our implementation of FFRMS.

• For More Information Visit: www.fema.gov/floodplain-management/FFRMS
## 90 Day Timeline

<table>
<thead>
<tr>
<th>January</th>
<th>February</th>
<th>March</th>
<th>April</th>
<th>May</th>
<th>June</th>
</tr>
</thead>
<tbody>
<tr>
<td>EO Issued 30 Jan</td>
<td>Implementing Guidelines – Posted for 60 Day Comment</td>
<td></td>
<td>Agency Plans 30 Days</td>
<td>Plan to Update Guidance due to NSC</td>
<td></td>
</tr>
</tbody>
</table>

**Phase 1**
Planning
30 Jan – 13 Feb

**Phase 2**
Implementing Guidelines – Stakeholder meetings
5 Feb - 6 April

**Phase 3**
Adjudicating IG Comments
6 – 10 April

**Phase 4**
USACE Guidance Update Plan
6 April – 6 May

**Phase 5**
Engage in Updating USACE Guidance

### Timeline Key:
- Administration Deadline
- USACE-Led
- MitFLG-Led
“A society grows great when old men plant trees whose shade they know they shall never sit in.”

Greek Proverb
A society grows great when old men plant trees whose shade they know they shall never sit in.
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Backup Slides
E.O. 13690: Establishing a FFRMS

- The President signed Executive Order 13690 on 30 January
- Amends the existing Executive Order 11988 on Floodplain Management to include the Federal Flood Risk Management Standard (FFRMS)
- Expands the area to which EO 11988 applies
- Includes 3 options to determine the expanded floodplain, and the level to which a federal action must be resilient
  - A climate-science approach, a freeboard approach, or the 500-year flood elevation
- Defines critical actions
- Allows for exceptions based on national security and maintains exceptions for emergency actions and related activities
- Encourages the use of natural and nature-based approaches
E.O. 13690: Establishing a FFRMS

• The FFRMS requires similar elevations to the industry developed standard by the American Society of Civil Engineers
• Higher standard was called for in the President’s Climate Action Plan
• Builds on the work of the Sandy Task Force
• Consistent with findings and recommendations put forth in the recently released North Atlantic Coast Comprehensive Study (NACCS)
• Not expected to impact Public Law 84-99 or emergency actions
• Agencies will be required to update their existing guidance to implement the EO
• Mitigation Framework Leadership Group and Federal Interagency Floodplain Management Task Force will reassess the standard annually to determine if an update is needed
Eight-step Decision-making Process for EO 11988 incorporating FFRMS

Step 1: Determine if proposed action is in the FFRMS floodplain
- FFRMS: Use one of three approaches to establish the FFRMS floodplain elevation and flood hazard area (rather than using the 1% annual chance flood, which was the original default under 11988)

Step 2: Early public review

Step 3: Identify and evaluate alternatives to locating in the FFRMS floodplain
- FFRMS: Where possible, develop alternatives using nature-based approaches
  - No action alternative
  - In the FFRMS floodplain
  - Not in the FFRMS floodplain

Step 4: Identify impacts of proposed action

Step 5: Minimize harm and restore and preserve natural and beneficial values
- FFRMS: Minimize harm to FFRMS floodplain

Step 6: Reevaluate alternatives
- Limit action — Return to Step 3
- In the FFRMS floodplain
- No action

Step 7: Findings and public explanation

Step 8: Implement proposed action

Does the action have:
- a) impacts in the FFRMS floodplain, or
- b) indirectly support FFRMS floodplain development?

YES

NO
Implementing Guidelines

• Water Resources Council’s 1978 EO 11988 interagency Implementing Guidelines were revised to include the FFRMS
• Guidelines are being used to gain stakeholder input as to how agencies should implement the new EO
• Draft Guidelines posted to the Federal Register and on FEMA’s website to initiate a 60-day comment period (closing 6 April)
  • https://www.federalregister.gov/articles/2015/02/05/2015-02284/guidelines-for-implementing-executive-order-11988-floodplain-management-as-revised
• Stakeholder sessions are being held in conjunction with the 60-day comment period in six locations as well as one virtual session
• Input is being solicited on the draft Implementing Guidelines only; the FFRMS has been issued as final through EO 13690
Federal Process and Next Steps

- 60 day comment period on interagency Guidelines initiated 5 February – open through 6 April
  - NOTE: No agency will implement the FFRMS and EO until public engagement has taken place
- Federal Register notices issued to announce stakeholder engagement sessions
- Feedback will be considered and incorporated into the Implementing Guidelines through an interagency process (MitFLG)
- Water Resources Council will issue final interagency Guidelines
- Agencies must submit plans for updating agency specific guidance to the National Security Council 30 days after the public comment period closes (6 May)
- Agencies will update policies to implement the EO and FFRMS prior to implementing
• **Phase 1**
  • Develop initial USACE communication materials
  • Notify stakeholders
  • Engage with HQ management team; establish PDT to manage USACE policy/guidance revisions

• **Phase 2**
  • Participate in FEMA-led stakeholder sessions (7 total - externally led)
  • Engage internally and externally for stakeholder sessions, and to initiate efforts to update USACE policy
  • Hold webinar to answer internal questions (25 February and 6 March)
  • Track comments received to inform USACE policy update
  • HQ will support interagency process (via MitFLG) to revise Implementing Guidelines
## Phase 2 – Stakeholder Session Participation

<table>
<thead>
<tr>
<th>Date</th>
<th>Time</th>
<th>City</th>
<th>State</th>
<th>Venue</th>
<th>Tentative USACE POC</th>
</tr>
</thead>
<tbody>
<tr>
<td>3-Mar</td>
<td>3-5:30pm CST</td>
<td>Ames</td>
<td>IA</td>
<td>Iowa Water Conference</td>
<td>Tom Holden; Katie Noland; Local POCs</td>
</tr>
<tr>
<td>5-Mar</td>
<td>9am-12pm CST</td>
<td>Biloxi</td>
<td>MS</td>
<td>MS Recovery Office</td>
<td>Karen Durham-Aguilera; Tom Holden (MVD); Local POCs</td>
</tr>
<tr>
<td>11-Mar</td>
<td>2-5pm PST</td>
<td>Sacramento</td>
<td>CA</td>
<td>CA Office of Emergency Services</td>
<td>Karen Durham-Aguilera; Pete Rabbon; Local POCs</td>
</tr>
<tr>
<td>11-Mar</td>
<td>9am-12pm EST</td>
<td>Hampton Roads</td>
<td>VA</td>
<td>Old Dominion University</td>
<td>Mark Roupas; Katie Noland; NAD; Local POCs</td>
</tr>
<tr>
<td>TBD</td>
<td>TBD EST</td>
<td>New York City</td>
<td>NY</td>
<td>TBD</td>
<td>Karen Durham-Aguilera; Katie Noland; NAD; Local POCs</td>
</tr>
<tr>
<td>24-Mar</td>
<td>9am-12pm EST</td>
<td>Washington</td>
<td>DC</td>
<td>George Mason University Fairfax, VA Campus</td>
<td>Karen Durham-Aguilera; Mark Roupas; Katie Noland; HQ support</td>
</tr>
<tr>
<td>25-Mar</td>
<td>3:00-6:00 EST</td>
<td>Virtual</td>
<td>Virtual</td>
<td>Teleconference/webinar</td>
<td>Karen Durham-Aguilera; Mark Roupas; Katie Noland; HQ support; others</td>
</tr>
</tbody>
</table>
• **Phase 3**
  - FEMA to consolidate all comments received
  - HQ team participate in interagency sessions to adjudicate all comments received on Implementing Guidelines
  - MitFLG will submit recommended revisions to Water Resources Council to issue final interagency guidance
  - Revisions and changes to the interagency Guidelines will inform USACE policy revisions
  - USACE PDT (HQ-level team) to facilitate updates to agency specific guidance
• **Phase 4**
  - Draft plan with milestones and timeline to update USACE regulations/policies due to NSC
  - Plan not to exceed 5 pages (MitFLG template)
  - Submit outline to NSC after leadership review and approval by 6 May
  - Initiate USACE efforts to incorporate the final interagency Guidelines into USACE policy as needed

• **Phase 5**
  - To be completed after 90 day timeframe – way ahead to be determined
  - PDT (FRM-led) will coordinate revisions to all relevant USACE policies and initiate stakeholder engagement activity
  - Significant stakeholder engagement to take place to inform USACE policy revisions
Questions?

FEMA’s website:
www.fema.gov/floodplain-management/FFRMS

Federal Register notice:
https://www.federalregister.gov/articles/2015/02/05/2015-02284/guidelines-for-implementing-executive-order-11988-floodplain-management-as-revised#h-6

Questions/comments/concerns:
Send to stephanie.n.bray@usace.army.mil and katelyn.m.noland@usace.army.mil
What’s Happening to Our Infrastructure?

- **USACE’s Civil Works mission provides a key foundational component of the Nation’s public infrastructure that facilitates economic growth, quality of life, environmental health and national security for the American people!**

**BUT...**

- CW infrastructure is deteriorating (declining engineering condition).
- CW infrastructure is underperforming (declining service performance).
- U.S. is under-investing in its public works infrastructure overall.
- U.S. lags other developed nations in maintenance of prior public infrastructure investments.
- We stand to squander the international competitive advantage provided by the Nation’s public works due to inattention to the needs of aging infrastructure, shifting demand, climate change, and underinvestment.
- At risk is U.S.’s economic prosperity, quality of life & environmental health.
- **USACE CW infrastructure is on unsustainable glide-path of benign neglect.**
- We are devolving from a paradigm of “preventing failure”, to one of “fixing after failure”, and even towards “failing to fix!”