Civil Works Overview

National Waterways Conference

MG Michael Walsh
Deputy Commanding General, Civil & Emergency Operations

26 September 2013
Embed 4-minute CW video here
Current Environment

- WRDA & Reform
- Non-Earmark Environment
- Budget Cuts
- Travel cuts/meeting attendance
- Downsizing
- Sequestration
- Debt Limit
- Governance Turmoil
Future Strategy

• Do What We Say We Are Going to Do
• Win in the Turns
• Never Waste a Crisis
• Legislative Opportunities
• Transform Civil Works
“One of my top priorities is moving forward with Water Resources Reform and Development legislation to accelerate project delivery, streamline environmental reviews, and reform the Army Corps of Engineers bureaucracy,”

- Rep. Bill Shuster, Chairman, House Transportation & Infrastructure Committee
Civil Works Transformation

National Waterways Conference

Steven L. Stockton
Director of Civil Works

26 September 2013
Transforming Civil Works

Planning

Budget Development

Methods of Delivery

Infrastructure Strategy
For Infrastructure, 
A Grand Strategy

Develop a brand strategy for the Corps. This will include brief summaries of the Corps' mission, purpose, vision, values, promise and goals.

Develop a plan to achieve and communicate the strategy.

Implement and communicate the strategy.

Outcomes
Exceptional relationships with customers and colleagues.
Exceptional perceived value by the American public.
Positive future experiences with American leaders.

Budget: Systems, 
Not Just Projects
Will Congress Agree?

New, Improved 
Methods of Delivery

Develop a USACE/CW concept of water security based on having robust inventory of water information; Develop the Federal Support Toolbox; Develop and conduct training for managers and employees based on water concept and tools; Liaison with the Army about Water Security.

Study Deadlines:
3 Years, $3 Million
All 3 levels of the Corps – Districts, Divisions and HQ, to play role in studies from inception.

“Legacy Studies” Up for Review

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Civil Works Planning: Focus on Future

Congress Considers WRRDA, with Extra “R” for Reform

The House T&I Committee rolls out its WRRDA bill at a news conference today that features the “big four” — Bill Shuster, Nick Rahall, Bob Gibbs and Tim Bishop. The bill will be marked up next week, on Sept. 19, according to a lawmaker involved in the legislation. To build support for the measure, the panel has a new video out today that explains the bill in a fun way. Chairman Shuster narrates the 2:41 video designed for those outside the Beltway. It features time-lapse drawings on a whiteboard that explain why ports are so important and how project reviews can be cut to three years, one of Shuster’s main goals in the legislation. “You’re probably

“SMART Planning” Instituted

The West Shore Lake Pontchartrain draft report and DEIS has been submitted to the public for review. This is first SMART Planning Report to undergo concurrent reviews (IEPR, ATR, Public, Division, HQ) per SMART Planning.

More Chief’s Reports Approved, Headed to Congress

The Jordan Creek, Springfield, MO, Chief’s Report was signed on 26 Aug. This is the first of five landmark “pilot” studies to reach this milestone. The study was selected as part of the National Planning Pilot Program (NP3) in Feb 2011
Systems Replace Projects in Corps Budget Lexicon

- Multi-Purpose
- Multi-State
- Multi-Stakeholder
- Balanced Benefits and Tradeoffs
- Emphasis on holistic Value to the Nation

Corps history includes examples of system-wide activities such as the Mississippi River & Tributaries Project.

Fewer Projects Funded, But Funded to Capacity to Produce Benefits Sooner

Civil Works Funding, FY 2013

* Does not include supplemental appropriations or contributed funds.
** Reflects 5% sequestration
Corps Improves Methods of Delivery

Delivering Services to the Nation

- Process Improvement
- Building the Bench
- Policy Guidance
- Centers of Expertise
- Interagency Collaboration
- Federal Support Toolbox
- Technical Competence
- Acquisition Strategies
- Systems Support

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One Stop Shop Data Portal

Leading Edge Models and Tools

Collaboration Connection
In this issue: A sneak peek at the Corps of Engineers’ Infrastructure Strategy

- Sustainability and reliability
- Levels of Service
- Asset Management: What to Keep, What to Let Go
- Alternative Financing Strategies, OPM
Water Resources Reform and Development Act

Senate version passed May 15 (vote 83-14)
House Transportation & Infrastructure Committee markup Sep. 19

• Project Authorizations
• De-authorizations
• Reforms & Streamlining
• Coastal Issues
• Ports & Harbors
• Inland Waterways
• Locks & Dams
• Levees & Flood Control
• Innovative Financing Pilot Program
• Extreme Weather
Civil Works Budget

National Waterways Conference

Mark L. Mazzanti
Director, Civil Works Programs Integration Division

26 September 2013
USACE Contributions to the Economy and the Environment

Recreation areas: 370 M Visitors/yr Generate $18B in economic activity, 500,000 jobs

¼ of Nation’s Hydropower: $1.5B + in power sales

12,000 miles of Commercial Inland Waterways transport goods at ½ the cost of rail or 1/10 the cost of trucks

#1 Federal Provider Of Outdoor Recreation 54,879 Miles Of Shoreline at USACE Lakes

Stewardship of 11.7 Million Acres Public Lands

~12,700 Miles of Levees

926 Shallow & Deep Draft Harbors

137 Major Environmental Restoration Projects

US Ports & Waterways Convey > 2.2 billion Tons Commerce Corps Maintained Ports Provide Strategic Deployment Capability Harbor Maintenance Trust Fund collects $1.3 billion revenue
Historical & Projected Obligations

NOTE: ~$25 billion in 10 Supplemental Appropriations from FY05-13
## FY 2014 CW Program (by Account)

### ($ Millions)

<table>
<thead>
<tr>
<th>Account</th>
<th>FY2013 Budget</th>
<th>FY 2013 Appropriation (with Rescission)</th>
<th>FY 2013 Appropriation (after Sequestration)</th>
<th>FY2014 Budget</th>
<th>FY 2014 Budget vs FY 2013 Appropriation</th>
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</thead>
<tbody>
<tr>
<td>Construction</td>
<td>1471</td>
<td>1674</td>
<td>1587</td>
<td>1350</td>
<td>-324</td>
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<tr>
<td>O&amp;M</td>
<td>2398</td>
<td>2412</td>
<td>2287</td>
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<td>MR&amp;T</td>
<td>234</td>
<td>252</td>
<td>238</td>
<td>279</td>
<td>27</td>
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<tr>
<td>Regulatory</td>
<td>205</td>
<td>193</td>
<td>182</td>
<td>200</td>
<td>7</td>
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<td>FUSRAP</td>
<td>104</td>
<td>109</td>
<td>100</td>
<td>104</td>
<td>-5</td>
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<tr>
<td>Investigations</td>
<td>102</td>
<td>125</td>
<td>119</td>
<td>90</td>
<td>-35</td>
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<tr>
<td>FCCE</td>
<td>30</td>
<td>27</td>
<td>26</td>
<td>28</td>
<td>1</td>
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<tr>
<td>Expenses</td>
<td>182</td>
<td>185</td>
<td>175</td>
<td>182</td>
<td>-3</td>
</tr>
<tr>
<td>OASA (CW)</td>
<td>5</td>
<td>5</td>
<td>5</td>
<td>5</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>4731</strong></td>
<td><strong>4982</strong></td>
<td><strong>4719</strong></td>
<td><strong>4826</strong></td>
<td><strong>-156</strong></td>
</tr>
</tbody>
</table>

18
Sequestration?

- 5 Percent for Most Accounts
- Annual appropriations sequestered ($255M)
- Sandy supplemental funds sequestered ($268M)
- Non-Federal cost sharing funds are sequestered ($14M)
- Specific project impacts were determined through development of FY13 “work plan”
Guiding Principles on Budget Development

- Finish Projects That We Start
- Focus on “Core” Mission Areas
- Provide Efficient Funding
- Identify Risks with any Funding Reductions, Buying Down Risk, where possible
- Implement 3x3x3 & Resets for Feasibility Studies
Watershed is **forcing function** for Local, State, and Federal effort.

Provide focus on **effects** for each watershed.

Identify feasible, acceptable, and suitable **alternatives**.

**Align** political, technical, and fiscal **strategies**.

10¢ **prevention** upstream vs. $1000 in **recovery** downstream.
Life Cycle Cost Management (LCCM)

Minimize cost growth by improving management controls, regulations, processes, guidance, policies, procedures, tools, and training related to project cost management:

- Add predictability to project cost and schedule
- Communicate cost and schedule growth
- Ensure processes, guidance, policies, procedures, tools & training related are interpreted/applied consistently
External Trends...

- Growing National Debt is #1 political concern
- Spending will be controlled until debt is resolved
- Discretionary funding in Budgets & Appropriations remains a target
- Increases in costs of work likely greater than inflation
- High likelihood of constrained USACE budgets
Stakeholders and Partnering

- Leverage Efforts, preach CW Value to Nation
- Find consensus for Major Initiatives
  - Identify Funding to Reach Outcomes
  - Is it Time for WRDA?
  - Engage in Dialogue
- Be mutually supportive
- Shared Messages
- Involve & Engage End-Users
- Seek to Influence Decision-Makers
Thank You!

US Army Corps of Engineers
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Backup slides
WRDA – Senate Bill

• S. 601 passed Senate on 15 May by vote of 83-14.
  • Authorizes projects with completed Chief's reports that have been recommended by ASA(CW) as of the date of enactment
  • Permits ASA(CW) to increase a project's cost by submitting certification of need
  • Raises limits on Continuing Authorities Programs (CAP)
  • Authorizes a Levee Safety Program
  • Modifies Inland Waterways and Harbor Maintenance Trust Funds
  • Extends Independent Peer Review for another 5 years
  • Pilot program to fund water resources infrastructure by leveraging private investment
  • Revises process for project de-authorization
  • Commission to establish a process to identify projects that are no longer in the Federal interest and suggest de-authorizations
House Water Resources Reform and Development Act

Marked up by House Transportation & Infrastructure Committee, Sept. 19

- Authorizes 23 water resources projects
- Limits Corps feasibility studies to 3 years, $3 million in federal costs
- ASA(CW) to take lead in facilitating environmental review process
- Deadlines for all agencies required to provide environmental input
- Pilot program to determine cost effectiveness, efficiency of having non-federal interests carry out authorized Corps projects.
- Consolidates existing authorities for non-federal sponsors to plan, design and construct federal projects and be reimbursed for federal share:
  - Includes Sec. 211, WRDA ‘96 (Flood Control); Sec. 204, WRDA ‘86 (Navigation) and Sec. 206, WRDA ‘92 (Hurricane & Storm Damage Reduction).
- Sets target expenditures from the HMTF that increase each year so that by FY 20, and every year after that, no less than 80% of the funds collected go to O&M activities.
House Water Resources Reform and Development Act (Continued)

• All deep draft navigation work be conducted under authority of Corps deep draft navigation planning center of expertise
• Requires use of certified project managers, risk-based cost estimates, acquisition procedures and best management practices for all capital improvement projects on inland waterways system
• Inland Waterways Users Board to meet at least twice a year
• Encourages development of hydropower at existing Corps projects
• Planning Assistance to States to include levee safety programs, technical assistance to States that voluntarily participate in levee safety activities.
• ASA(CW) to re-issue regulations regarding vegetation on levees
  – Incorporate regional characteristics, habitat for species of concern and levee performance
• Reaffirms need for Congress to consider WRDA every 2 years

AND MORE!!!
# Water Resources Development Act

<table>
<thead>
<tr>
<th>Senate (passed 15 May)</th>
<th>House (T&amp;I Comm. markup 19 Sep)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Authorizes all projects w Chief’s Reports recommended by ASA before date of enactment</td>
<td>Authorizes 23 projects w complete tech reviews, recommended to Congress by Chief, reviewed by Committee</td>
</tr>
<tr>
<td>ASA to submit list of authorized projects not funded for past 5 years</td>
<td>ASA to submit list of inactive projects authorized before WRDA 2007 or not funded (Federal or non-Fed) for past 5 years</td>
</tr>
<tr>
<td>Infrastructure De-authorization Commission submits list within 4 years. Projects on list de-authorized unless Congress rejects entire list</td>
<td>From list above, identify projects from oldest to newest until total Fed cost totals $12 B. After 180-day congressional review, de-authorized</td>
</tr>
<tr>
<td>No similar provision</td>
<td>Terminates construction authorizations after 7 years unless construction has begun</td>
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<tr>
<td>Limits feasibility studies to 3 years, $3M Federal cost. Requires concurrent review by district, division and HQ</td>
<td>Same as Senate</td>
</tr>
<tr>
<td>No similar provision</td>
<td>President to identify projects recommended for full funding over next 5 years, provide explanation of process. (Assume $2B available)</td>
</tr>
<tr>
<td>Coordinated review w Federal agencies, States &amp; Tribes to resolve disputes, avoid delays &amp; duplication</td>
<td>Lead role for ASA in facilitating environmental review</td>
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<td></td>
<td>Senate (passed 15 May)</td>
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<td>------------------------------</td>
<td>----------------------------------------------------------------------------------------</td>
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<tr>
<td>No similar provision</td>
<td>Repeals requirement for recon study before feasibility study</td>
</tr>
<tr>
<td>Credit for non-Federal</td>
<td>In-kind credit for work done by non-Fed sponsors before execution of PCA</td>
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<tr>
<td>contributions in excess of</td>
<td></td>
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<tr>
<td>cost sharing requirements</td>
<td></td>
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<tr>
<td>Pilot program to determine</td>
<td>Similar to Senate. ASA to select at least 15 projects. No sunset provision</td>
</tr>
<tr>
<td>cost-effectiveness of non-Fed</td>
<td></td>
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<td>interests carrying out</td>
<td></td>
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<tr>
<td>authorized projects. Up to</td>
<td></td>
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<tr>
<td>15 projects selected, at least</td>
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<tr>
<td>1 in each of 8 Corps</td>
<td></td>
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<tr>
<td>divisions. Sunset after 5</td>
<td></td>
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<tr>
<td>years</td>
<td></td>
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<tr>
<td>No similar provision</td>
<td>If construction or modification of Corps project adversely affects other Fed facilities,ASA can accept funds from agencies to address impact</td>
</tr>
<tr>
<td>No similar provision</td>
<td>SecArmy to recommend projects as result of Hurricane Sandy Study (Disaster Relief</td>
</tr>
<tr>
<td></td>
<td>Appropriations Act 2013</td>
</tr>
<tr>
<td>No similar provision</td>
<td>In restoring flood risk management projects, allows higher levels of protection than</td>
</tr>
<tr>
<td></td>
<td>originally authorized if costs borne by non-Fed sponsors</td>
</tr>
<tr>
<td>Regional Sediment Management:</td>
<td>Corps can place dredged material in nearby shoreline systems to protect coastal</td>
</tr>
<tr>
<td>ASA can reduce non-Fed cost</td>
<td>infrastructure, reduce emergency repairs</td>
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<tr>
<td>if there is associated</td>
<td></td>
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<tr>
<td>reduction of Federal costs</td>
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</table>
## Water Resources Development Act (Continued)

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<th>Senate (passed 15 May)</th>
<th>House (T&amp;I Comm. markup 19 Sep)</th>
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<tbody>
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<td>Appropriations from Harbor Maintenance Trust Fund must equal amount of taxes and interest credit to fund. Use only for harbor maintenance.</td>
<td>Target expenditures from HMTF increase every year. By FY20 and thereafter, at least 80% of funds collected must go to O&amp;M activities.</td>
</tr>
<tr>
<td>ASA to establish system to improve on-time, on-budget completion of projects thru pilot programs, early contractor involvement, etc.</td>
<td>Use of certified project managers, risk-based cost estimated, fully funded or continuing contracts, standard designs, etc.</td>
</tr>
<tr>
<td>Inland Waterways Users Board meets at least twice a year, submit 20-year plan for capital investments in inland waterway system</td>
<td>Same as Senate</td>
</tr>
<tr>
<td>Encourages non-Fed hydropower at Corps projects, funded by non-Fed sponsor</td>
<td>Same as Senate</td>
</tr>
<tr>
<td>Pilot program for non-Federal funding to increase hours of operation at locks</td>
<td>Requires 90-day notice, public comment period before modifying operation of locks</td>
</tr>
<tr>
<td>Re-authorizes National Dam Safety Program</td>
<td>Authorizes technical changes to FEMA Dam Safety Program</td>
</tr>
<tr>
<td>ASA and FEMA to establish Levee Safety Program. National Levee Safety Board to monitor condition of levees</td>
<td>Planning Assistance to States program to assist State Levee Safety Programs</td>
</tr>
<tr>
<td>Comprehensive review of Corps policy on levee vegetation – is it appropriate to all regions?</td>
<td>RE-issue regulations on levee vegetation. Incorporate regional characteristics</td>
</tr>
<tr>
<td><strong>Water Resources Development Act (Continued)</strong></td>
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<td>-----------------------------------------------</td>
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</tr>
<tr>
<td><strong>Senate (passed 15 May)</strong></td>
<td><strong>House (T&amp;I Comm. markup 19 Sep)</strong></td>
</tr>
<tr>
<td>Restore flood and hurricane storm damage reduction projects to authorized levels for reasons including settlement, subsidence, sea level rise</td>
<td>No similar provision</td>
</tr>
<tr>
<td>Requirement to assist States, Tribes, local gov’ts with floodplain management plans, mitigation</td>
<td>No similar provision</td>
</tr>
<tr>
<td>Pilot program to assess use of innovative financing, to include secured loans, guarantees. $50M/year, FY 14-18, to carry out pilots</td>
<td>ASA to enter agreements with non-Feds, incl. private entities, to finance construction of at least 15 projects</td>
</tr>
<tr>
<td>NAS to perform study of options for reducing risk to life and property from extreme weather events</td>
<td>Requires ASA to make specific project recommendations as result of Hurricane Sandy Study Authorizes locally preferred plans at non-Fed expense if increment provides higher level of protection and is economically, technically and environmentally acceptable</td>
</tr>
<tr>
<td>Out of order for Congress to consider legislation to reduce funding for Civil Works (other than harbor maintenance) from prior year’s level. Exception for emergency/disaster funding</td>
<td>No similar provision</td>
</tr>
</tbody>
</table>
What Else is Going On?

- Post Sandy Reconstruction
  - USACE lead agency
  - Collaborating with NOAA. (Supportive role, data, forecasting, mapping)
  - Developing principles and scope for reconstruction
  - Other agencies will have supportive role
- Developing a flood risk index standard (it will help us identify location of risk, high and less risk areas) to inform, educate and develop effective preparedness and response plans
- Congressional interest in a WRDA
Managing Extreme Events

• Work with Federal & State agencies on general emergency planning to summarize the state of readiness, adequacy and effectiveness of response and contingency plans

• Incorporate climate change assumptions into Water Resources planning and models

• Provide technical assistance to states to develop comprehensive response & mitigation plans
Working Towards Sustainability

- Sustainability is achieved when actions fall within the realm of societal values AND ecological capacity.
- Planning with an ecosystem services approach helps to achieve two outcomes:
  1) Functionally healthy ecosystems, and
  2) Benefits to society.

Figure modified from Maser (1994)
What Can We Do Together to Help Transformation Succeed?

- It is critically important that we engage with partners and stakeholders when developing a systems-based budget. What are your suggestions to accomplish this?
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• What must we do to further implement SMART Planning and 3x3x3 guidelines?
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• Methods of delivery are critical to provide value to the Nation. What areas, besides cost, timeliness and competency, do we need to assess? Are there areas where partners and stakeholders can contribute more?
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• Methods of delivery are critical to provide value to the Nation. What areas, besides cost, timeliness and competency, do we need to assess? Are there areas where partners and stakeholders can contribute more?

• Is there anything we can do with regard to education and leadership at government levels to support our aging infrastructure and to ensure national security and stability?