U.S. Army Corps of Engineers
Civil Works Program Update

National Waterways Conference
Washington, DC

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Chief, Civil Works Programs
HQ, US Army Corps of Engineers
Washington, DC

March 6, 2018
Army Civil Works National Leadership

HQ DA

LTG Todd Semonite
Chief of Engineers

HON R.D. James
ASA(CW)

Ryan Fisher
PDASA

Joe Bentz, SES
DASA, Mgt/Bud

David Leach, SES
DASA, Proj Rev

Vacant
DASA, Pol/Leg

HQ USACE

MG Ed Jackson
DCG-Civil/Emerg Ops

James Dalton, SES
Director of Civil Works

Eddie Belk, SES
Chief, Programs

Dr. Larry McCallister, SES
Chief, Engineering & Constr

Noel Clay
Actng Chief, Plng/Policy

Corps Enterprise Leadership

Brenda Johnson-Turner, SES (Real Estate)
Karen Baker, SES (Environmental)
Vacant (IIS)
Dr. David Pittman, SES (ERDC)
David Cooper, SES (Chief Counsel)
Vacant (Contracting)

Tom Smith, SES
Chief, Ops/Reg

Ray Alexander, SES
Director, Contingency Ops

Wesley Coleman
Acting Director
Institute for Water Resources
Securing Our Nation’s Future Through Water

**Navigation - Commerce, Intn’l Markets, Trade**

USACE Operates 24,000 miles of Commercial Waterways; Generates $18 B / 500,000 Jobs Annually; Supports 20% of US Jobs, 1/3 of GDP; Transportation = Decisive US Competitive Advantage

**Flood and Disaster Risk Reduction**

USACE Prevents > $8 in Flood Damages per $1 Invested; 14,700 Miles Levee ➞ 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 the No. 1 Federal Provider of Outdoor Recreation, Contributing > $16 B to Local Economies

**Disaster Preparation/Response; Regulatory**

- 370 Million Visits Annually
  Generate $16B in Economic Activity
- 2003-2012, Prevented $361B in Total Damages
- 50% of Americans Live within 50 Miles of Coast
- 404 Lakes / Rivers in 43 States
- 20% US Jobs and 1/3 GDP in Waterborne Commerce
- Weather – Related Disasters 3X in Last 30 years
- Move 98% US Imports and Exports @ $2T / Year
- 25% US Hydropower and 3% Total US Electricity
- Drinking Water for 96 Million People
CW Challenges and 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 ~$4.7B Annual Budget Nationally…..Requirements Significantly Outpacing Resources
Civil Works Budget Trends
(Excludes Supplemental Funding)

FY 19 Pbud is ~4% decrease below the FY 18 PBud
Civil Works FY 2017 Approps Bill *

($ Millions)
Total: $6.038 Billion

by Account
- Construction $1,876 M
- Operation & Maintenance $3,149 M
- Flood & Coastal Emergencies $28 M
- Reg $184 M
- FUSRAP $172 M
- $112 M
- Miss. R. & Tribs. $132 M
- Investigations $121 M

by Business Line
- Navigation $2,671 M
- Flood Damage Reduction $1,731 M
- Coastal Nav $1,462 M
- Inland Nav $1,209 M
- Environmental $580 M
- Regulatory $200 M
- Recreation $284 M
- Hydropower $216 M
- Emergency Management $35 M

* Does not include supplemental appropriations
** Includes Office of Asst. SecArmy (Civil Works)
FY 18 Pres Budget - Construction
($5 M or More in Budget - Actual $ to be Determined in FY18 Appropriation)

Numbers in circles = $million budgeted
FY19 Pres Budget - Construction
($5 M or More in Budget - Actual $ to be Determined in FY19 Appropriation)

Numbers in circles = $million budgeted
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
Project New Start Trends

FY 2019

- Budget ➔ No New Study or Construction Starts

FY 2018

- Budget ➔ No New Study or Construction Starts

- House Mark ➔ Up to Two New Construction (NAV or FRM or ENR) and Six New Studies (1-NAV; 1-FRM; 1-ENR; + 3-NAV or FRM)

- Senate Mark ➔ Five New Construction (2-NAV, 1-FRM, 1-FRM Coastal, and 1-ENR) and Six New Studies (2-NAV, 1-Small, Remote, or Subsistence Harbor; 2-FRM; 1-ENR; and 1-NAV or FRM)

FY 2017 Work Plan

- Investigations. Atlantic IWW Bridge Replacement at North Landing, VA

- Construction.
  - Boston Harbor Deep Draft Improvements, MA (NAV)
  - Charleston Harbor Deep Draft Navigation Improvements, SC (NAV)
  - Jacksonville Harbor Deepening, FL (NAV)
  - Tampa Harbor, Big Bend, FL (NAV)
  - Ohio River Shoreline, Paducah, KY (FRM)
  - Mud Mountain Dam, WA (ENR)
FY 19 Overall Budget Outcomes

- Continues Highest Performing Studies and Design Activities
- No New Construction Starts, No New Investigation Starts
- Investigations. $82M, Down from $86M
  - Funds 6 Feasibility Studies to Completion, Also Includes 7 Dam Safety Modification Feasibility Studies and 6 Dredge Material Management Plans
- Construction. $910M, Down from $1020M
  - 24 Projects (12 FRM; 7 AER; 5 NAV), Including Olmsted L&D to Completion
- Operations & Maintenance. $3.0B, Down Slightly from $3.1B
  - Reflects Risk Informed Application of Performance Based Criteria
- Environmental Restoration. Includes 8 Aquatic Ecosystem Restoration Projects, Including 4 to Meet Requirements of Endangered Species Act Biological Opinions
- Water Supply. Constant at $7 M
FY 18 Storm Supplemental: $17.4B

• **Investigations** ➔ $135m
  - Initiate and/or Complete Current/Future Auth Studies, 100% Fed
  - $75m for HIM Impacted States + $60m for Other Impacted States

• **Construction** ➔ $15.1B
  - To Construct, Rehab or Repair Damages
  - $15B to Construct FRM Projects (Already Auth; Chief’s Report a/o 9 Feb; Future Auth in Invest)
  - $10.4B for HIM Impacted States, PR/VI at 100% Fed; $4.6B for Other Impacted States
  - 902 Limit Waived, Completed at 100% Fed with Any NF Cost Share Paid Over 30 Years
  - Up to $50m for FRM CAP Projects

• **MR&T** ➔ $770m
  - To Construct, Rehab or Repair Damages
  - $400m to Construct FRM Projects (Already Auth and/or Future Auth in Invest)

• **O&M** ➔ $608m
  - To Dredge Fed Nav Channels and Repair Damages

• **FCCE** ➔ $810m
  - To Prepare for and Support Emergency Operations
  - Includes Auth Shore Protection Projects to Full Project Profile at Full Federal Expense

• **Expenses** ➔ $20m
  - To Administer and Oversee Execution of Emergency Supplemental Funds
  - Will Need to Carry Funded MSC/HQ Activities Over 3-5 Years
**Dec 2016 Supplemental Execution**

($1.025 Billion)

Number of Repair/Dredging Work Packages Funded Under FY17 Supplemental (Public Law 114-254), and Scheduled (CC820 Milestone) to Complete:

**Detail as of 3 January 2018 Snapshot**

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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
  - Aggressive Administration Infra Posture, Bold Ideas in Play
  - More Partners Turning to Alternative Delivery Models

- Significant Challenges and Opportunities Possible for FY 18/19
  - Historic Storm Supplemental ($17.4B)
  - Presumptive FY 18 Approps Could be Substantial (~$6B+)
  - Presumptive Admin Infrastructure Initiative Could be Transformative, With Any Funding Likely Linked to Reforms ($0-$20B)

- How is the Corps Responding?
  - Drive to Deliver on Projects, Programs, Commitments
  - Powering Down Decision-Making
  - Working Closely with and Listening to Partners
  - Actively Supporting White House Infrastructure Initiative
Historical CW Partner Survey Feedback

**Lowest CW Scores**

- Cost
- Timeliness
- Problem Resolution

**Highest CW Scores**

- Technical Competency
- Attitude
- Communication


Scores: 3.6, 3.7, 3.8, 3.9, 4.0, 4.1, 4.2, 4.3, 4.4, 4.5, 4.6, 4.7, 4.8, 4.9, 5.0
Improving Civil Works Delivery

- Director of Civil Works Policy Direction of Jun 17…..Launched Five Lines of Effort (LoE) ➔ Eddie Belk, HQUSACE
- Embrace and Operationalize Risk Informed Decision Making
  SES Lead ➔ Mr Dave Ponganis, NWD
- Make, Justify, and Document Decisions at the Most Appropriate Levels
  SES Lead ➔ Ms Cheree Peterson, SPD
- Synchronize Headquarters Functions to Support MSC and District Project Delivery
  SES Lead ➔ Mr David Dale, LRD
- Integrate and Synchronize Agency Policy and Guidance
  SES Lead ➔ Mr Mark Mazzanti, SWD
- Incorporate Social and Environmental Benefits into Project Formulation, Design, and Implementation
  SES Lead ➔ Mr Jim Bodron, MVD
Administration’s Infrastructure Initiative

Infrastructure Financing:
PROBLEM...Federal Budget Not Capable of Adequately Financing Nation's Water Resource Infrastructure Requirements

What we are Doing
- Developed 6 Administration Policy Modification Proposals for White House Infrastructure Team that will Enhance Project Delivery
- Working with ASA(CW) to Develop WIFIA Policy Guidance, MOA with EPA
- Working with ASA(CW) to Develop Policy Guidance for the Use of P3 and Grants

Where we Need Help
- Consistent Administration Commitment to Fund Projects Until Complete, Once Begun (Means Funding Fewer Projects)
- Flexibility to Apply a Multitude of Funding Methodologies...Whatever it Takes to Complete the Project
- Retaining Expertise on Public Infrastructure Financing

Project Delivery:
PROBLEM...Current Project Delivery Model has too Much Uncertainty/Inefficiency, Which Drives Up Costs and Drags Projects Out

What we are Doing
- Developed 5 Administration Policy Modification Proposals to White House Infrastructure Team that will Enhance Project Delivery
- Developed 7 Legislative Proposals to White House Infrastructure Team that will Enhance Project Delivery
- Implementing 5 Civil Works Lines of Effort

Where we Need Help
- Clarify Federal Interest/Responsibility for Delivering Water Resources Infrastructure
- Prioritize Projects, Based on Federal Interest/Responsibility, and Transition Others
Administration’s Infrastructure Initiative

Permit Streamlining:

**PROBLEM:** Uncertainty/Length of Time it Takes to Issue Permits for Infrastructure Projects

**What we are Doing:**
- Developed 11 Legislative Proposals for White House Infrastructure Team that will Help Expedite Permit Reviews
- Developed 7 Administration Policy Modification Proposals for White House Infrastructure Team that will Help Expedite Environmental Reviews
- Developed 4 Internal Policy/Process Changes to Improve the Permit Review Process
- Participating in the CEQ-led EO 13807 (Establish Discipline and Accountability in the Environmental Review and Permitting Process for Infrastructure Projects-ONE FEDERAL DECISION). Currently working to develop new guidance for NEPA decisions and tools (EAs, CEs, and EIS) as well as development of a framework to inform/implement ONE FEDERAL DECISION required under Section 5b of the EO.
- Participating in the EPA-led EO 13778 (Restoring the Rule of Law, Federalism, and Economic Growth by Reviewing the Waters of the US Rule). Will amend any regulatory policies/regulations as a result of a replacement WOTUS Rule.
- Participating in FAST 41/Federal Permitting Improvement Steering Council (FPISC), actively leading one covered project (Mid-Barataria Sediment Diversion) and serving as a supporting agency on 15 other infrastructure projects.
- Updating 9 Nationwide Permits (NWPs) Identified for Changes Under EO 13783 (Promoting Energy Independence and Economic Growth), Plus Any additional NWPs that might Further Streamline Processes, to Include Authority for Federal Agencies to Select and Use NWPs Without Additional USACE Review

**Where we Need Help:** Patience as we Work Through the Various Streamlining Initiatives
Closing Thoughts

• USACE Funding Continues to be Constrained and Addressing the Nation’s Infrastructure Investment Gap must be 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 Trade and International Competiveness

• America’s Marine Transportation System infrastructure Must be a National Priority in Order to Secure Adequate Levels of Investment

• Navigation Investment is Key to National Economy, Jobs, and Exports!
Thank You!!

As of: <date>
POC: <name>