

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



**National Waterways Conference  
Washington DC  
March 5, 2019**

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



**US Army Corps  
of Engineers**



**U.S. ARMY**

# 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

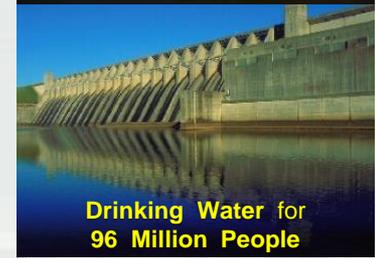
**Hydropower** - Inexpensive, Sustainable  
USACE is the Nation's Largest Renewable Energy Producer  
25% of US Hydropower, 3% of Total US Electricity

**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**

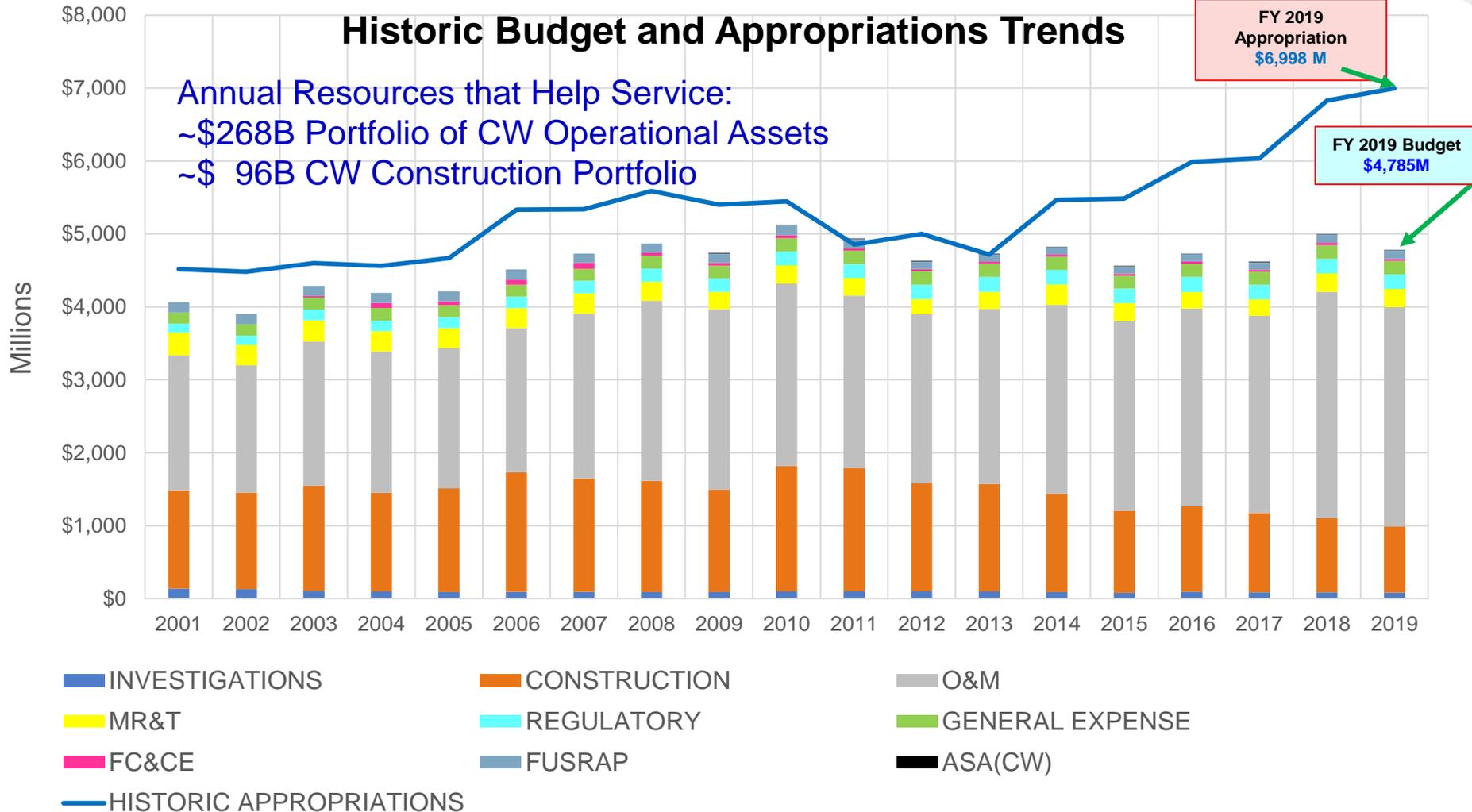


# Civil Works Investment Trends

(Excludes Supplemental Funding)

## Historic Budget and Appropriations Trends

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



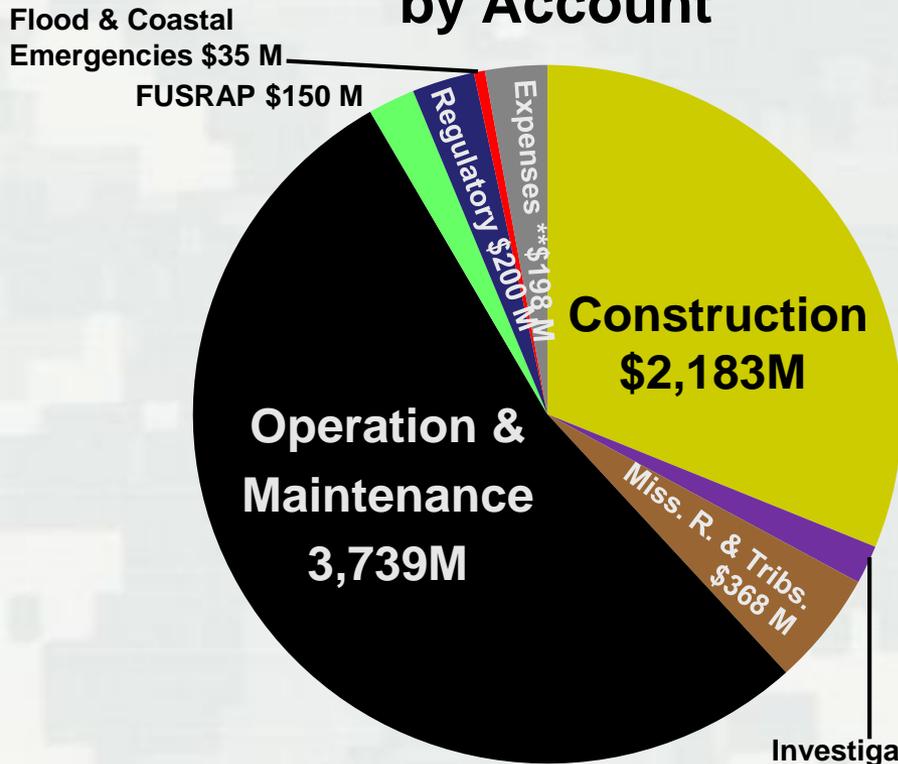
**FY19 Appropriation is ~46% Increase above FY19 Budget**

# FY 2019 Appropriation

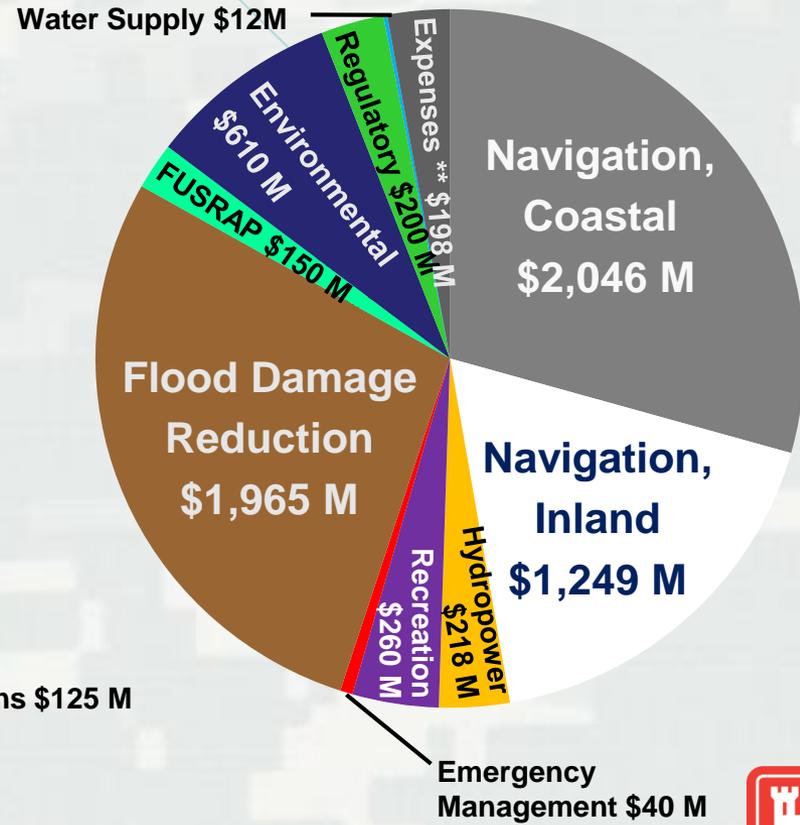
(\$ Millions)

Total: \$6.998 Billion

## by Account



## by Business Line



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



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# 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



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# 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**



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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
  - 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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# ***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 Competiveness 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!!***

