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

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World-Class Delivery...
Real-World Impact!
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
- Construction: $2,183M
- Operation & Maintenance: 3,739M
- Flood & Coastal Emergencies: $35 M
- FUSRAP: $150 M
- Investigations: $125 M
- Miss. R. & Tribs: $368 M

by Business Line
- Navigation, Coastal: $2,046 M
- Flood Damage Reduction: $1,965 M
- Navigation, Inland: $1,249 M
- Recreation: $260 M
- Water Supply: $12 M
- Hydropower: $2,18 M
- Emergency Management: $40 M
- Office of Asst. SecArmy (Civil Works): $125 M

** Includes Office of Asst. SecArmy (Civil Works)
Major Construction Projects in FY19 Work Plan (Over $10m)

- Flood Risk Management
- Aquatic Ecosystem Restoration
- Navigation
- FUSRAP

New Construction Start in FY 19 (3)
- Skokomish R. Mud Mtn. Dam
- Columbia R. Fish Mitigation
- Columbia R. Bank Protection

New Construction Start in FY 18 (2)
- Santa Ana River Mainstem
- Lower Miss. R. Revetments (MR&T)
- Lower Miss. R. Levees (MR&T)
- Isabella Dam
- Natomas Basin

Projects:
- Fargo-Moorhead
- Missouri R. Fish & Wildlife Recovery
- Sault Ste. Marie Lock Replacement
- Upper Mississippi River Restoration
- La Grange Lock & Dam
- Olmsted Lock & Dam
- Kentucky Lock & Dam
- Chickamauga Lock
- Charleston Hbr.
- Savannah Hbr.
- Jacksonville Hbr.
- E. St. Louis
- St. Louis
- S. E. Louisiana
- S. Fla. Ecosystem Restoration

Other Projects:
- Brays Bayou & Tribs
- Buffalo Bayou & Tribs
- Corps Christi Ship Channel
- Cedar Bayou
- S. E. Louisiana
- Herbert Hoover Dike
- Charleston Hbr.
- Savannah Hbr.
- Jacksonville Hbr.
- Sandy Hook
- Great Egg
- Poplar Island
- Clarion R. Lake
- Lucky
- Del. R.
- Raritan
- Sandy Hook
- Great Egg
Major Construction Projects in FY 19 Budget (Over $10m)

- Columbia R. at Mouth
- Mud Mtn. Dam
- Columbia R. Fish Mitigation
- Yuba River Basin
- American River
- Isabella Lake
- Santa Ana River
- Lower Miss. R. Mainstem (MR&T)
- Lewisville Dam
- Buffalo Bayou & Tribs.
- Corpus Christi Ship Channel
- Savannah Hbr.
- Herbert Hoover Dike
- S. Fla. Ecosystem Restoration
- FUSRAP
- Multipurpose
- Flood Risk Management
- Aquatic Ecosystem Restoration
- Navigation
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
FY18 EMERGENCY SUPPLEMENTAL: $17.4B

- 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

As of 15 Jan 2019
SUPPL CONSTRUCTION PROJECTS

60 Construction Projects (minus CAP)
* 34 Ongoing CN (PPA Amendments);
* 4 Executed; 8 Not Req’d; 9 in Field; 13 Left
* 26 Not Ongoing CN (PPA Negotiations);
* 1 Executed; 13 in Field; 12 Left
* Surveys/Design Underway
* Sponsors → ROW and Relocations

- CA - $2.5B
- NM - $0.09B
- TX - $4.9B
- WA - $0.7B
- HI - $0.3B
- FL - $0.8B
- PR - $2.5B
- CA - $2.5B
- CA - $2.5B
- TX - $4.9B
- TX - $4.9B
- WA - $0.7B
- HI - $0.3B
- FL - $0.8B
- PR - $2.5B

* US Army Corps of Engineers.
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
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!!