

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



US Army Corps of Engineers
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Army Civil Works National Leadership

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LTG Todd Semonite
Chief of Engineers



HON R.D. James
ASA(CW)



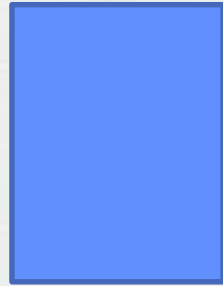
Ryan Fisher
PDASA



Joe Bentz, SES
DASA, Mgt/Bud



David Leach, SES
DASA, Proj Rev



Vacant
DASA, Pol/Leg

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MG Ed Jackson
DCG-Civil/Emerg Ops



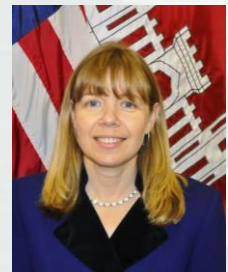
James Dalton, SES
Director of Civil Works



Eddie Belk, SES
Chief, Programs



Dr. Larry McCallister, SES
Chief, Engineering & Constr



Noel Clay
Actng Chief, Plng/Policy



Tom Smith, SES
Chief, Ops/Reg



Ray Alexander, SES
Director, Contingency Ops



Wesley Coleman
Acting Director
Institute for Water Resources

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)

Civil Works Regional Leadership



NAD
CG: BGP Butch Graham
PD: John Peukert (A)
RBD: Vacant



North Atlantic Division (NAD)

LRD
CG: BG Mark Toy
PD: David Dale
RBD: Steve Durrett



Great Lakes & Ohio River Division (LRD)

MVD
CG: MG Rick Kaiser
PD: Jim Bodron
RBD: Tom Holden



NWD
CG: MG Scott Spellmon
PD: Dave Ponganis
RBD: Eric Hansen



Northwestern Division (NWD)

SPD
CG: BG Pete Helmlinger
PD: Cheree Peterson
RBD: Vacant



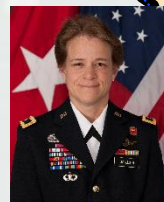
South Pacific Division (SPD)

SWD
CG: BG Paul Owen
PD: Mark Mazzanti
RBD: Pete Perez



Southwestern Division (SWD)

SAD
CG: BG Diana Holland
PD: Al Lee
RBD: Tab Brown



South Atlantic Division (SAD)

POD
CG: BG Tom Tickner
PD: Gene Ban
RBD: Gary Kitkowski



Pacific Ocean Division (POD)

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

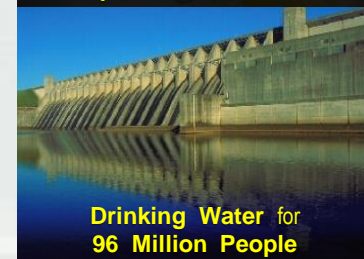
Drinking Water

USACE Produces 6.5 Billion Gallons per Day

Quality of Life – Local Economic Engines

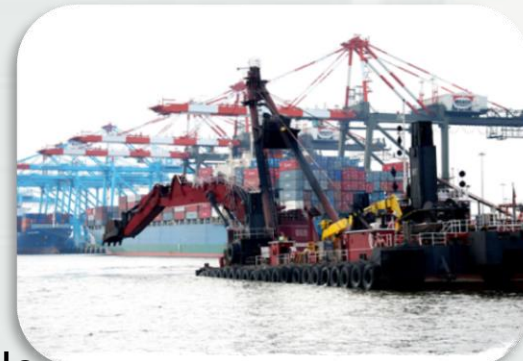
USACE is the No. 1 Federal Provider of Outdoor Recreation, Contributing > \$16 B to Local Economies

Disaster Preparation/Response; Regulatory



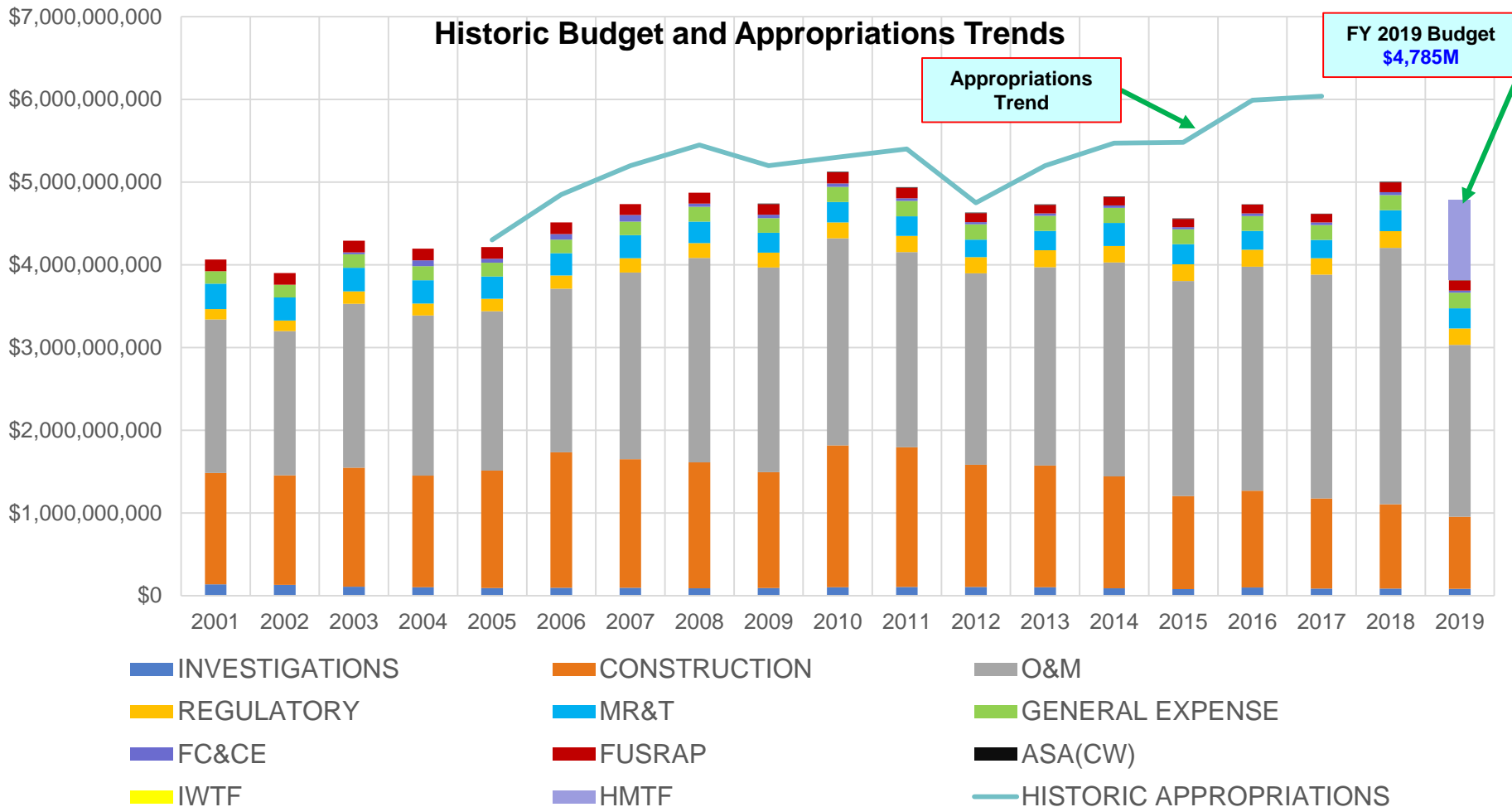
CW Challenges and Opportunities

- **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



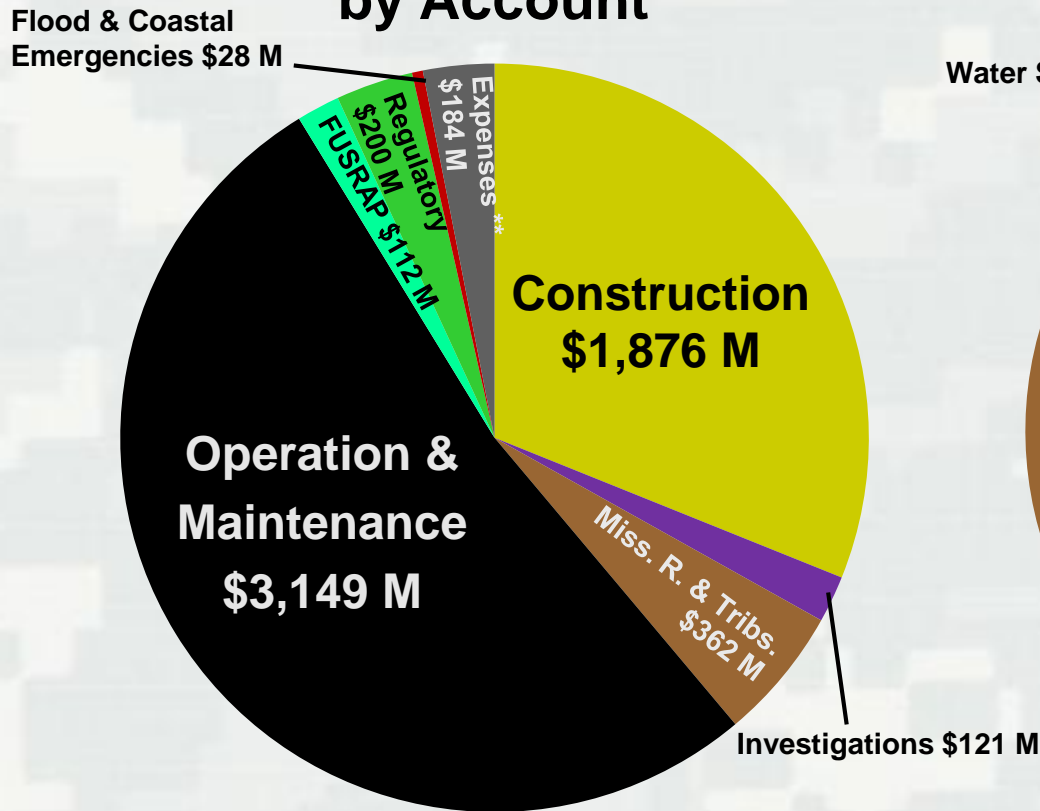
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Civil Works FY 2017 Approps Bill *

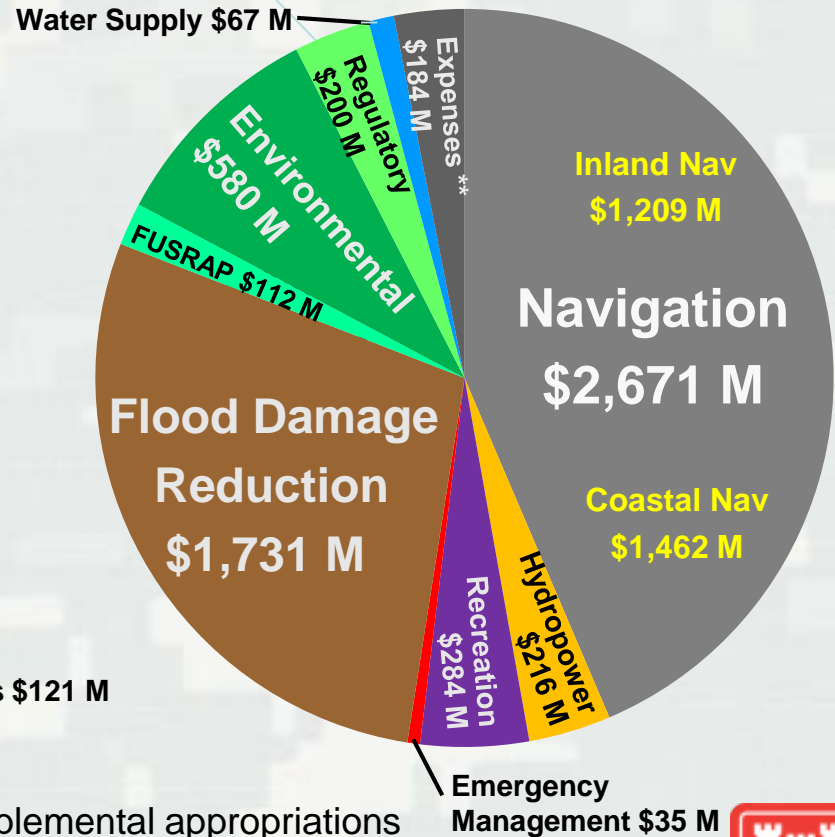
(\$ Millions)

Total: **\$6.038 Billion**

by Account



by Business Line



* Does not include supplemental appropriations

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



FY 17 Approps - Construction

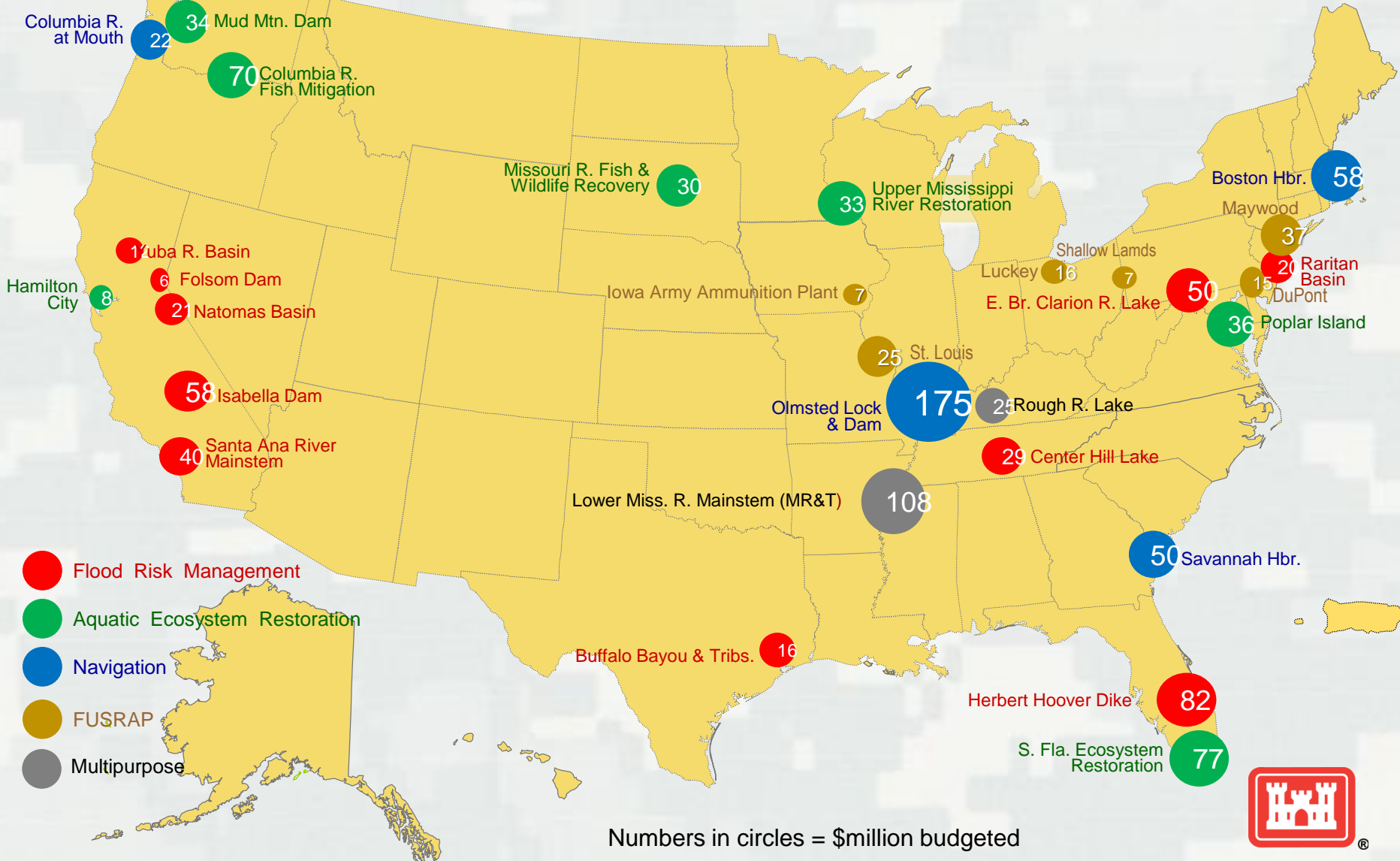
(\$5 M or More in FY17 Work Plan)



Numbers in circles = \$ million budgeted

FY 18 Pres Budget - Construction

(\$5 M or More in Budget - Actual \$ to be Determined in FY18 Appropriation)

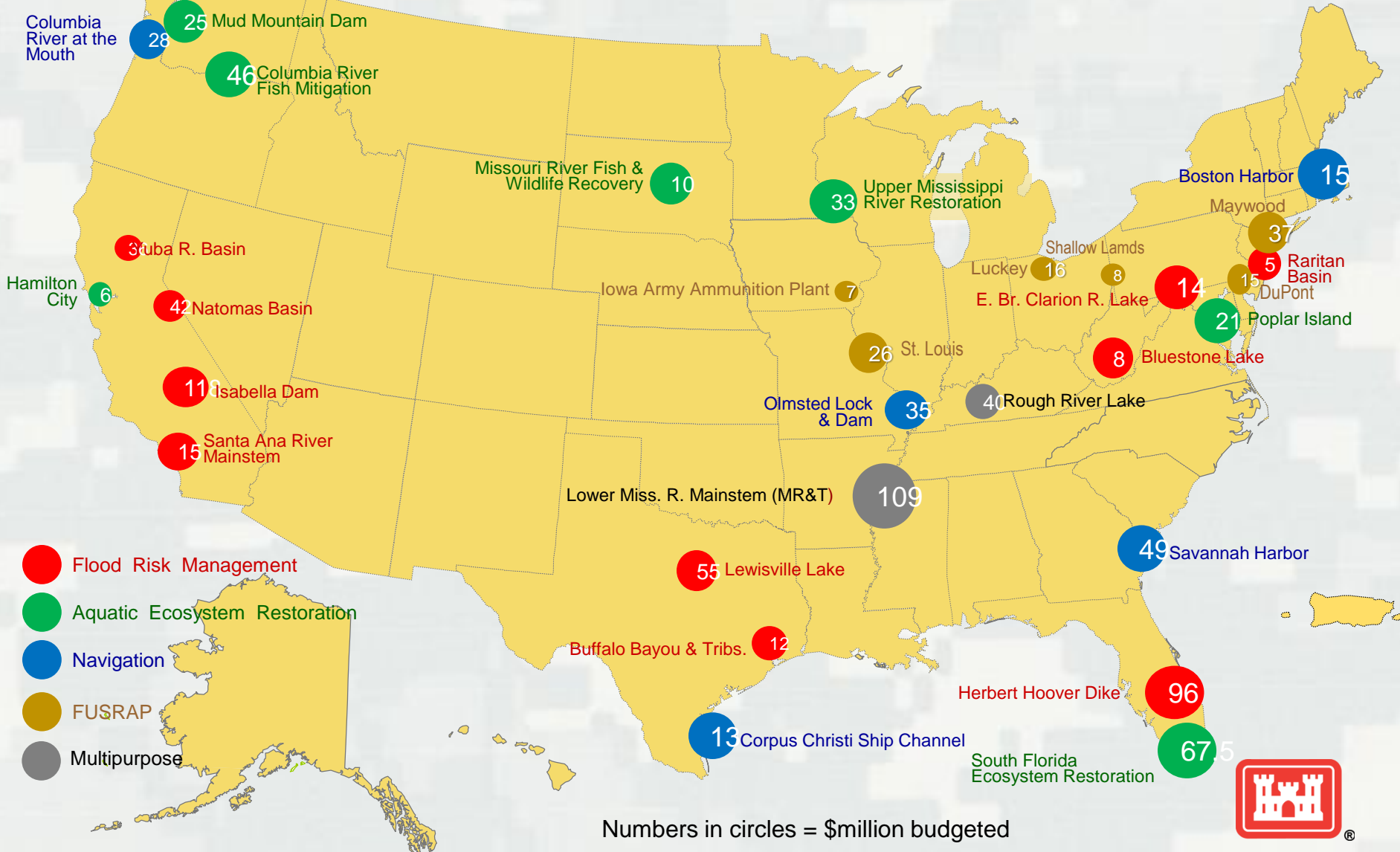


Numbers in circles = \$million budgeted



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



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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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

	Repairs Completed	Scheduled to complete in 2Q 2018	Scheduled to complete in 3Q 2018	Scheduled to complete in 4Q 2018	Scheduled to complete After FY 2018	Total Number of Work Packages
Total USACE	88	66	39	61	76	330
Appropriation						
Construction	2	1	5	0	6	14
O&M	58	40	21	38	11	168
MR&T	19	19	2	7	51	98
FC&CE/ ¹	9	6	11	16	8	50
MSC						
LRD	2	0	0	0	0	2
MVD	51	30	11	36	56	184
NAD	3	5	6	1	6	21
NWD	1	2	3	2	5	13
POD	0	0	0	0	0	0
SAD	10	5	7	10	7	39
SWD	21	24	12	12	2	71
SPD	0	0	0	0	0	0



78% of Work Complete & 77% of Funds Applied by Sep



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



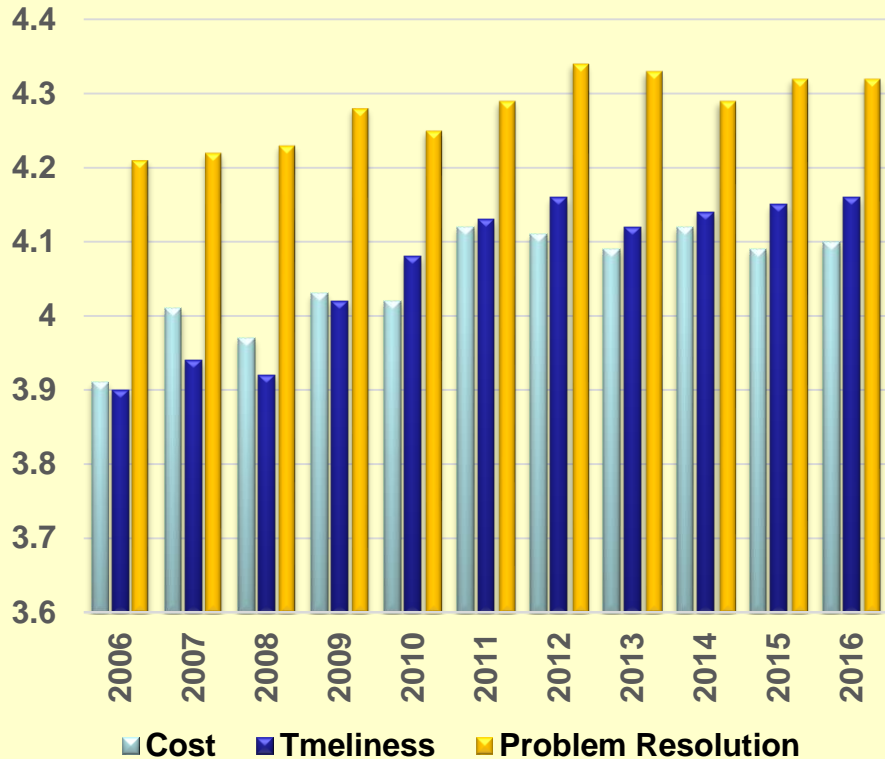
Actively Supporting White House Infrastructure Initiative



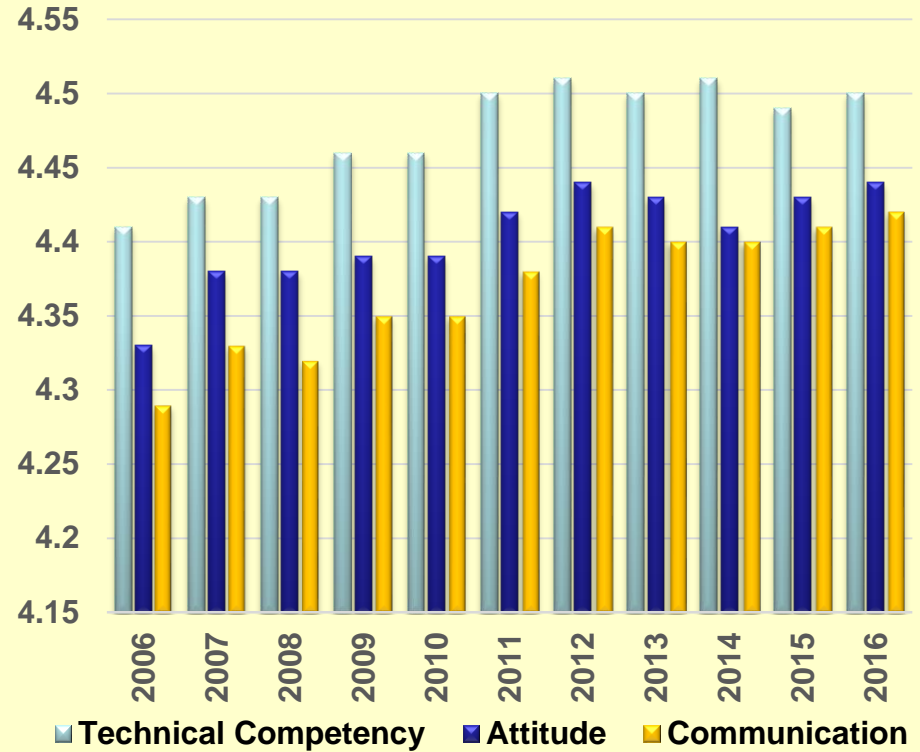
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Historical CW Partner Survey Feedback

Lowest CW Scores



Highest CW Scores



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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 (NWP) Identified for Changes Under EO 13783 (Promoting Energy Independence and Economic Growth), Plus Any additional NWP that might Further Streamline Processes, to Include Authority for Federal Agencies to Select and Use NWP 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!!



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As of: <date>
POC: <name>