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: $35M
- FUSRAP: $150M
- Investigations: $125M
- Miss. R. & Tribs: $368M

by Business Line
- Navigation, Coastal: $2,046 M
- Navigation, Inland: $1,249 M
- Flood Damage Reduction: $1,965 M
- Water Supply: $12M
- Hydropower: $218M
- Emergency Management: $40M
- Investigations: $125M
- Environmental: $670M
- Regulatory: $200M
- Recreation: $260M
- Regulatory: $210M
- Miss. R. & Tribs: $368M
- Flood & Coastal Emergencies: $35M

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

- Columbia R. Fish Mitigation
- Missouri R. Fish & Wildlife Recovery
- Columbia R. Mud Mtn. Dam
- Missouri R. Fish & Wildlife Recovery
- Missouri R. Fish & Wildlife Recovery
- Lower Miss. R. Revetments (MR&T)
- East Br. Clarion R. Lake
- Missouri R. Fish & Wildlife Recovery
- Lower Miss. R. Levees (MR&T)
- Raritan River
- Brays Bayou & Tribs.
- Buffalo Bayou & Tribs.
- Lower Miss. R. Levees (MR&T)
- S. Fla. Ecosystem Restoration
- Cigala Dam
- Sandy Hook
- Great Egg
- Yuba R. Basin
- Natomas Basin
- Santa Ana River Mainstem
- Isabella Dam
- Skokomish R. Mud Mtn. Dam
- Columbia R. Bank Protection
- Sacramento R. Bank Protection
- Isabella Dam
- Santa Ana River Mainstem
- Hamilton City
- Columbia R. at Mouth

Navigation New Construction Start in FY 19 (3)
- Charleston Hbr.

Navigation New Construction Start in FY 18 (2)
- Jacksonville Hbr.
Major Construction Projects in FY 19 Budget (Over $10m)

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

Projects:
- Yuba River Basin
- American River
- Isabella Lake
- Santa Ana River
- Columbia R., at Mouth
- Mud Mtn. Dam
- Columbia R., Fish Mitigation
- Missouri R., Fish & Wildlife Recovery
- Upper Mississippi River Restoration
- Lower Miss. R., Mainstem (MR&T)
- Olmsted Lock & Dam
- Lewisville Dam
- Buffalo Bayou & Tribs.
- Corpus Christi Ship Channel
- Savannah Hbr.
- Boston Hbr.
- Mud Mtn. Dam
- E. Br. Clarion R. Lake
- Rough R. Lake
- Center Hill Lake
- Poplar Island
- St. Louis
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 - $.09B
CA - $2.5B

TX - $4.9B
TS - $4.9B
HI - $0.3B

KS - $0.5B
LA - $1.4B
FL - $0.8B

IA - $0.12B
MO - $0.01B
GA - $0.01B

Lower Colorado R.
Sabine Pass to Galveston Bay
White Oak Bayou

Rio Colorado de la PLata
Rio Puerto Nuevo
Río Grande de Arecibo
Río Grande de Loiza
Río Guajabo at Mayaguez
Río Nigua at Salinas

CA - $2.5B
CA - $2.5B
Hi - $0.3B

TS - $4.9B
LA - $1.4B
PR - $2.5B

KS - $0.5B
MO - $0.01B
GA - $0.01B

Lower Colorado R.
Sabine Pass to Galveston Bay
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Rio Colorado de la PLata
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Río Guajabo at Mayaguez
Río Nigua at Salinas

Ala Wai Canal
Isabella Dam
Santa Ana River Mainstem
Miss. R. Channel Improvement
Miss. R. Channel Improvement
Miss. R. Channel Improvement

34 Ongoing CN (PPA Amendments);
4 Executed; 8 Not Req’d; 9 in Field; 13 Left
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Age of Corps Lock Portfolio in 2020

*Includes All Operational Deep and Shallow Draft Corps and TVA Navigation Locks and Control Structures.*
National Lock Portfolio Service Trends
Main Chamber Mechanical Unavailable Hours
(Events Longer than 1 Day)
Olmsted Locks and Dam
Operational August 2018
What’s Next?
Capital Investment Strategy....
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
OBJECTIVE 01  Accelerate Project Delivery
Start and Finish Projects Faster
- Project Delivery Strategies
- Acquisition Processes and Tools
- Risk-Informed Decision-Making and Delegated Decisions
- Innovation

OBJECTIVE 02  Transform Project Financing and Budgeting
Leverage New Tools/Processes
- Alternative Financing Tools
  - WIFIA Loans
  - P3 Pilot Program
- Civil Works Budgeting
- Funding Flexibilities

OBJECTIVE 03  Improve Permitting and Regulation Reform
Streamline; Eliminate Duplication
- Environmental Reviews and Permits
- Mitigation
- Permitting Processes
- Regulation Reform

REVOLUTIONIZE USACE 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!!