DDNPCX UPDATE

AAPA H&N Sub-Committee Meeting

Washington, D.C.
September 27 & 28, 2018

“Enterprise Delivery Through Leveraging Interdependence”
NEW DEVELOPMENTS

- Risk-Informed Planning (July 2017)
  - Re-frames Planning process
  - Emphasis on risk analysis

- Risk-Informed Decision Making (May 2018)
  - “Operationalize risk informed decision making”
  - All elements, all programs
  - Make decisions to accept risk
  - All reviews by MSCs
  - Approvals delegated

- Section 203/204 WRDA 1986
  - 203: Studies by non-Federals
    - Limited Technical Assistance
    - Updating policy guidance
  - 204: Construction by non-Federals

- “One Federal Decision”
  - Executive Order 13807, August 2017
  - Two year goal
  - USACE Implementation Guidance in prep
NEW WORK

2018 Emergency Supplemental

- **USACE PROGRAM**
  - $15B for Construction
    - $10B to hurricane impacted states
  - $135M for Studies
    - $75M in hurricane impacted states
  - $770M for MR&T
  - $608M for O&M
  - $810M for FCC&E

- **USACE ENTERPRISE RESPONSE**
  - “Principles for Delivery”

- **ASA(CW) POLICY GUIDANCE**

FY18 Appropriation: “Turn Dirt!”*

- **$6.8B**
  - $4.6B to specific projects/programs
  - $1.7B allocated by USACE (Work Plan)
    - $956M Navigation
    - $541M Flood Risk

- Funds studies to completion
- 3 “new start” navigation studies
- 2 “new start” flood risk studies

NAVIGATION PROGRAM
CHALLENGES

- **Cost Growth**
  - High Contingencies
  - BCRs/Budgetability
  - Awardable Contracts

- **Industry Trends**
  - Deepening & Widening Needs
  - Consolidation & Nodes
  - NED Benefits + Other Benefits

- **Environmental Compliance**
  - Listed Species/Habitats
  - Consultations/Workload
  - Cost Growth
  - Risk of Litigation

- **Regional Sediment Management**
  - Crossing Mission/Business Lines
  - Federal Standard: Who Pays?

- **Safety**
  - Recent uptick in serious injuries
  - Detailed hazard analysis + training
  - Monitor environmental conditions
Mandatory National PCX established by OPORD 2012-15
- Responsible for economic analysis (production) and conduct of reviews
  - Economic Model: HarborSym
- 18 Feasibility Studies

Directed by SAD Planning Chief
- Technical Deputy: Todd Nettles
- Admin Deputy: Daniel Small

Located in Mobile District
- Staff of 5 and two interns
- Leverages capability throughout USACE

Unofficial Motto: “We have a higher probability of being less wrong.”
DDNPCX ORGANIZATION CHART  SEP 2018

DDNPCX Director  
(SAD Planning Chief)
Eric Bush  
+ Admin Deputy (SAD)
Daniel Small

SAD Commander

SAM Commander

DDNPCX Technical Director  
Todd Nettles

Production and Review Management Team

7 FTEs

Review Mgr  
Kim Otto  
(Review Plans, ATR, and IEPR)

Economic Analysts  
Julie McGuire  
Caitlin Bryant  
Andrew Bazzle  
(Conduct DDN Economic Studies)

System Model/Data  
(DDN Models and Cert)  
(Vacant)

Plan Formulation  
(Nav SME)  
(Vacant)

District Tech Review  
+ Ext Peer Review

District Economists  
Idris Dobbs  
Walker Messer  
Etc.
EMERGING NAVIGATION ISSUES

- Beyond Post-Panamax
  - Consolidation/Fleets
  - Industry Preference vs Economic Justification
  - Wideners

- USACE Port Modernization Study Update (Draft)

- Section 203/204 Studies and Construction by non-Federal interests
  - Limited technical assistance

- Efficient Funding
- Competing Priorities
PORT MODERNIZATION UPDATE

Highlights

- 2012 Report directed by Congress
  - In anticipation of Panama Canal expansion
- 2016: Panama Canal complete
- 2018 Update (still in final review):
  - Increase in LNG & petroleum exports
  - Environmental concerns
    - Climate Change
      - Effects on species/habitat
    - Arctic Shipping
  - Acknowledgement of larger vessels