

USACE UPDATE FOR THE AMERICAN ASSOCIATION OF PORT AUTHORITIES

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Chief, Operations and Regulatory
U.S. Army Corps of Engineers
Washington, D.C.
2 October 2019



Agenda:

- ***Leadership***
- ***Budget/Appropriations***
- ***Revolutionizing USACE***
- ***Challenges***
- ***Opportunities***
- ***Questions***



US Army Corps
of Engineers®

Army Civil Works National Leadership



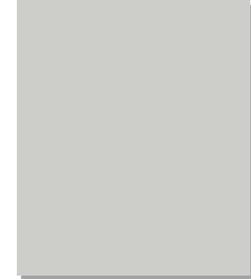
Department of the Army

LTG Todd Semonite
Chief of Engineers

HON R.D. James **Ryan Fisher** **Vance Stewart, SES** **David Leach, SES** **Deana Funderburk**
ASA(CW) PDASA DASA, Mgt/Budg DASA, Proj Review DASA, Policy/Leg



HQ,
US Army
Corps of Engineers



MG Scott Spellmon **James Dalton, SES** **Eddie Belk, SES** **Vacant** **Stacey Brown, SES**
DCG-Civil/Emerg Ops Director of Civil Works Chief, Programs Chief, Engineering & Const Chief, Plng/Policy



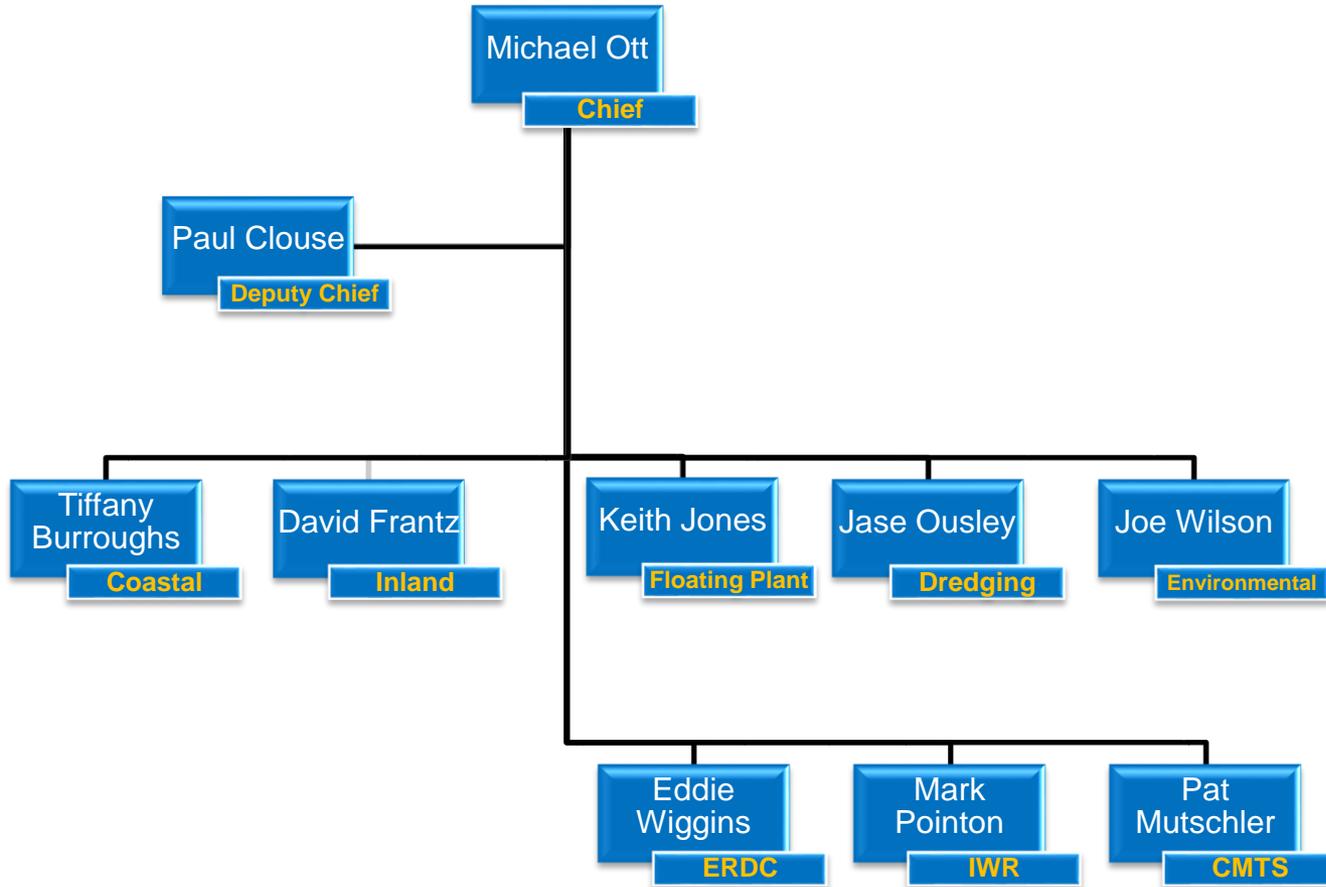
Tom Smith, SES **Ray Alexander, SES** **Dr. Joe Manous**
Chief, Ops/Reg Director, Contingency Ops Director
Institute for Water Resources

Corps Enterprise Leadership

Brenda Johnson-Turner, SES	Real Estate
Lara Beasley, Acting	Environmental
Sally Pfenning, SES	Intl & Intrag Srv
Dr David Pittman, SES	ERDC
David Cooper, SES	Chief Counsel
Jill Stiglich, SES	Contracting



USACE HQ Navigation Team



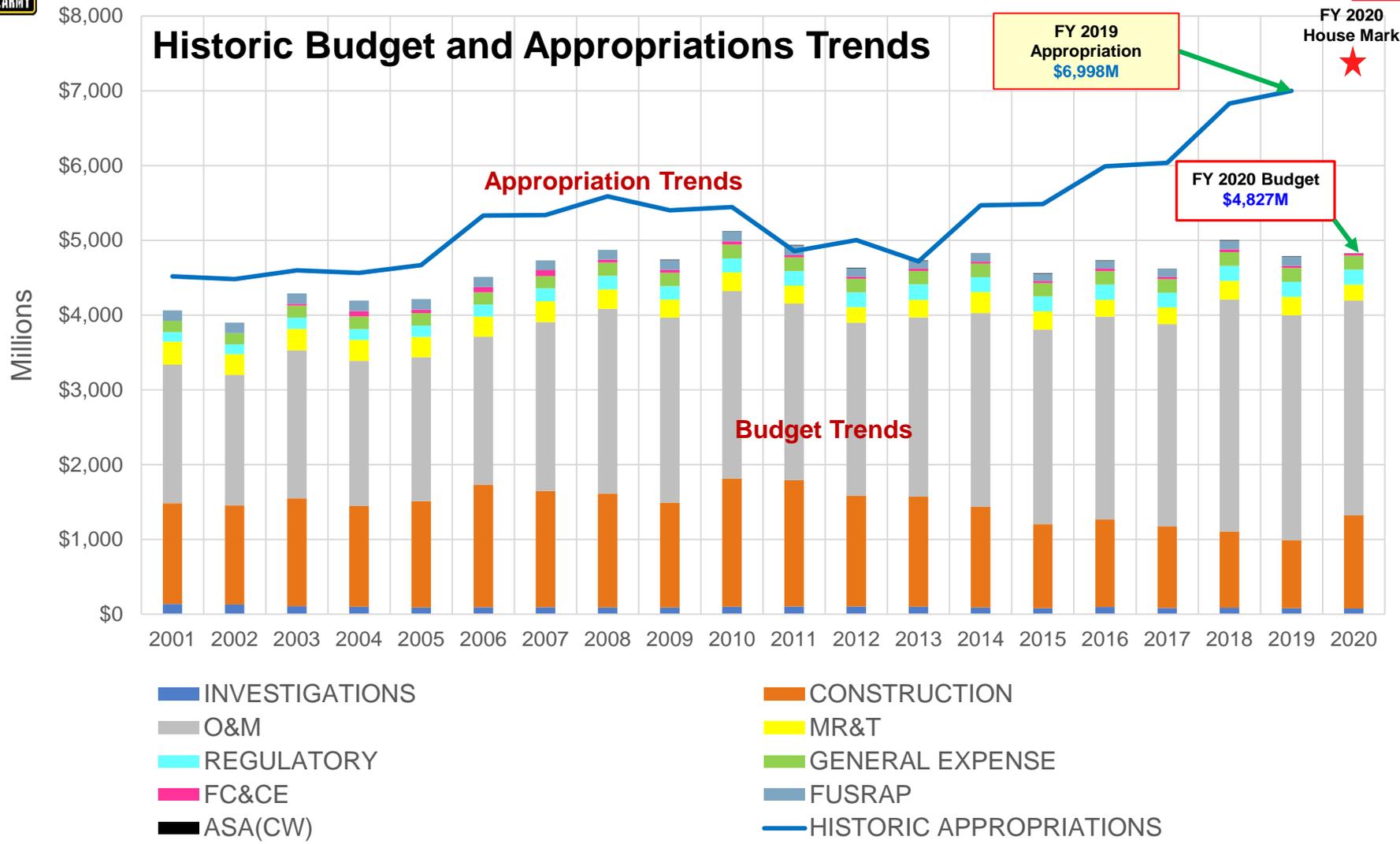


CIVIL WORKS INVESTMENT TRENDS – REGULAR \$

(EXCLUDES \$17.4B (FY 18) + \$3.26B (FY 19) SUPPLEMENTAL FUNDING)



Historic Budget and Appropriations Trends



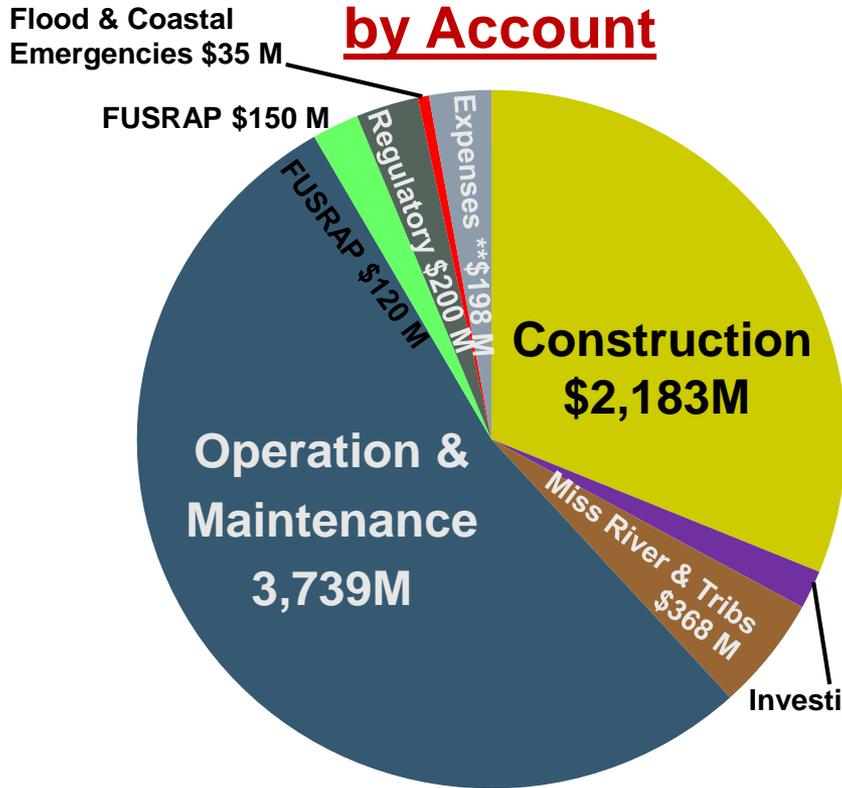


FY 2019 Civil Works Appropriation

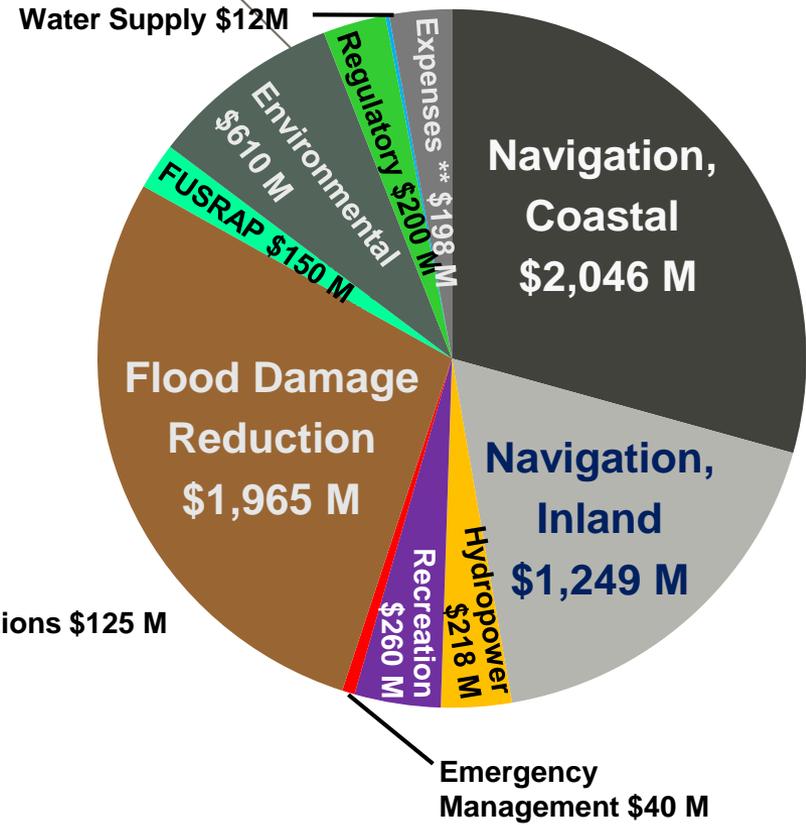


Total: \$6.998 Billion

by Account



by Business Line



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



PRESIDENT'S BUDGET & APPROPRIATIONS NAVIGATION (\$MILLION)

Year	Investigations	Construction	O&M	MR&T	Total
FY 20 Approp	*** No FY20 Appropriation Bill as of October 2, 2019 ***				
FY 20 Budget	\$14	\$625	\$1,635	\$34	\$2,308
FY 19 Approp	\$41	\$816	\$2,365	\$74	\$3,296
FY 19 Budget	\$14	\$176	\$1,706	\$33	\$1,930
FY 18 Approp	\$39	\$757	\$2,207	\$94	\$3,097
FY 18 Budget	\$19	\$310	\$1,717	\$52	\$2,098
FY 17 Approp	\$38	\$644	\$1,937	\$51	\$2,670
FY 17 Budget	\$22	\$348	\$1,527	\$37	\$1,934
FY 16 Approp	\$37	\$580	\$1,946	\$47	\$2,610
FY 16 Budget	\$25	\$321	\$1,563	\$38	\$1,947



Recent Robust Congressional Investment Making a Difference



- **Recent Civil Works Appropriations: Historic Levels of Public Infrastructure Investment → Tremendous Impacts on the Ground**
- **Between FY17 – FY19 Appropriations and FY 20 President’s Budget:**
 - Invested **\$16.5B** in Construction, + **\$6B** Matching Sponsor Funds
 - 16 New Construction Projects **Started**
 - 43 Ongoing Construction Projects Funded to **Completion** (i.e. Olmsted L&D; Lower Mon L&D, etc)
 - Allowed **Acceleration** of Other Important Ongoing Projects
 - Enabled Record Levels of Investment for Critical Operations and Maintenance Activities on Corps Infrastructure
- **Investment Results: Reduced Risks, Improved Infrastructure Performance and More Positive Economic Impacts for the Nation**



SUMMARY OF PROPOSED CIVIL WORKS APPROPRIATION FY21



U.S. Army Corps of Engineers (Civil Works) Appropriations

(Thousands of dollars. We have changed the presentation of the FY20 request to assign HMTF and IWTF funding to individual accounts (Construction, MRS, O&M) as was done in prior years.)

	FY 2017 <u>Enacted</u>	FY 2018 <u>Enacted</u>	FY 2019 <u>Enacted</u>	FY 2020 <u>Request</u>	FY 2020 <u>House</u>	FY 2020 <u>Senate</u>	Senate Bill Versus <u>FY 2019</u>	<u>House</u>
Investigations	121,000	123,000	125,000	77,000	135,000	154,880	+29,880	+19,880
Construction	1,876,000	2,085,000	2,183,000	1,244,000	2,337,000	2,795,148	+612,148	+458,148
Mississippi River System	362,000	425,000	368,000	215,000	350,000	368,000	0	+18,000
Operation and Maintenance	3,149,000	3,630,000	3,739,500	2,872,000	3,923,000	3,798,972	+59,472	-124,028
Regulatory Program	200,000	200,000	200,000	200,000	210,000	200,000	0	-10,000
Former Nuclear Sites Cleanup*	112,000	139,000	150,000	0	155,000	200,000	+50,000	+45,000
Flood Control / Coastal Emergencies	32,000	35,000	35,000	27,000	37,500	35,000	0	-2,500
Expenses	181,000	185,000	193,000	187,000	203,000	193,000	0	-10,000
Office of the Asst. Secretary	4,764	5,000	5,000	5,000	5,000	5,000	0	0
Total, USACE (Civil Works)	6,037,764	6,827,000	6,998,500	4,827,000	7,355,500	7,750,000	+751,500	+394,500
<i>Portion of Appropriation from HMTF</i>	<i>1,301,000</i>	<i>1,399,000</i>	<i>1,550,000</i>	<i>965,000</i>	<i>1,697,000</i>	<i>1,670,000</i>	<i>+130,000</i>	<i>-27,000</i>

*The Budget proposes that the Energy Department take over funding for cleaning up former nuclear weapons production sites - the Corps would still conduct the work, but DOE would then reimburse the Corps for all expenses - so no appropriations for this account are being requested in the Corps budget.

Summary reported by
<https://www.enotrans.org/article/senate-panel-oks-7-75b-for-corps-of-engineers-in-fy20/>



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



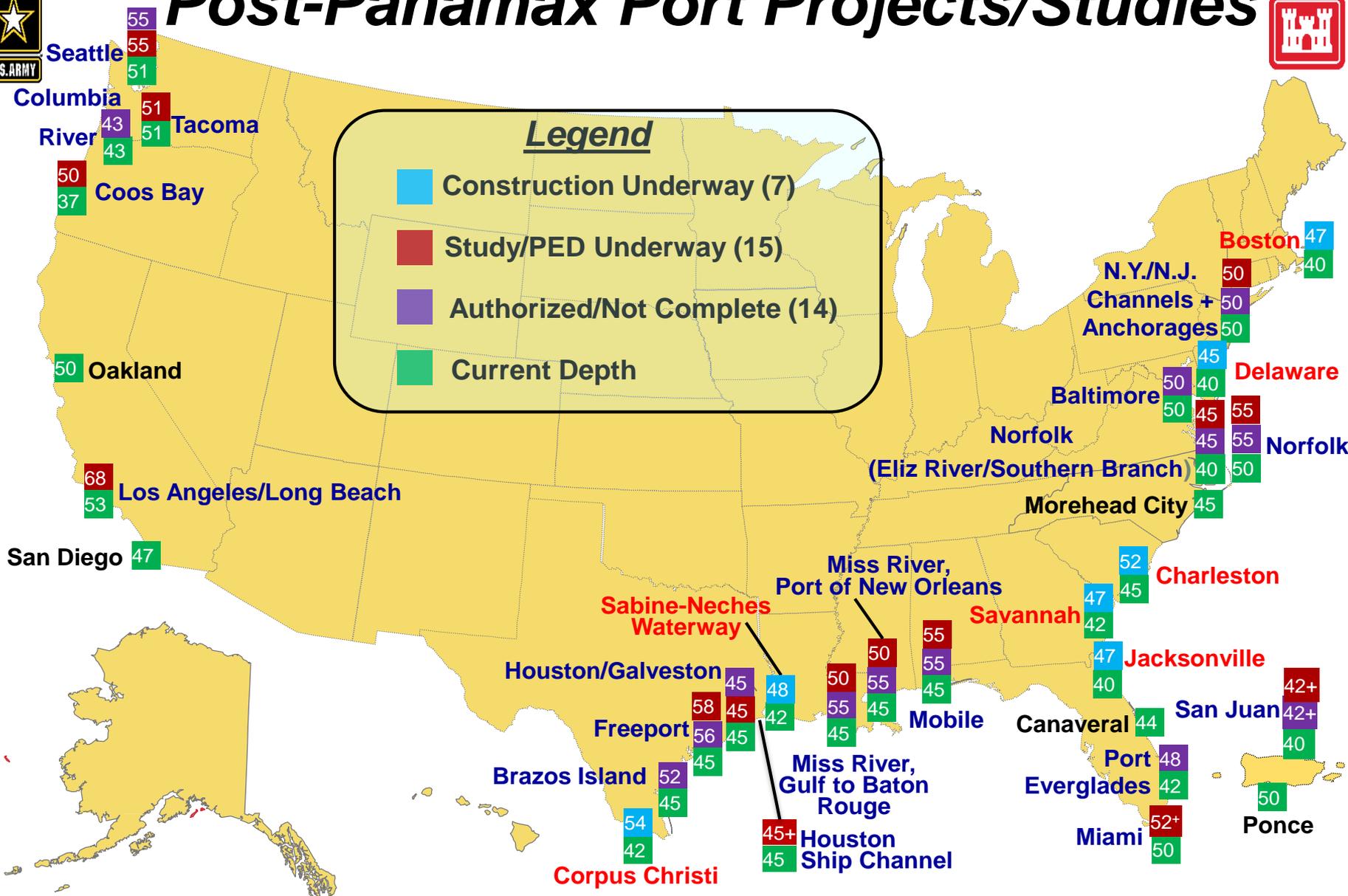
- Environmental Reviews and Permits
- Mitigation
- Permitting Processes
- Regulation Reform

REVOLUTIONIZE USACE CIVIL WORKS



U.S. ARMY

Post-Panamax Port Projects/Studies



Harbor Maintenance Trust Fund – Vital to Coastal Ports



CONSTRUCTION IN FY 20 BUDGET



\$10 M or more. *Actual funding for these and other projects to be determined in FY 20*



Numbers in circles = \$million budgeted



Historic High Water Duration = Historic Shoaling



Consecutive Days Above Flood Stage

Lower Mississippi River Forecast Center

Data as of August 12th 2019

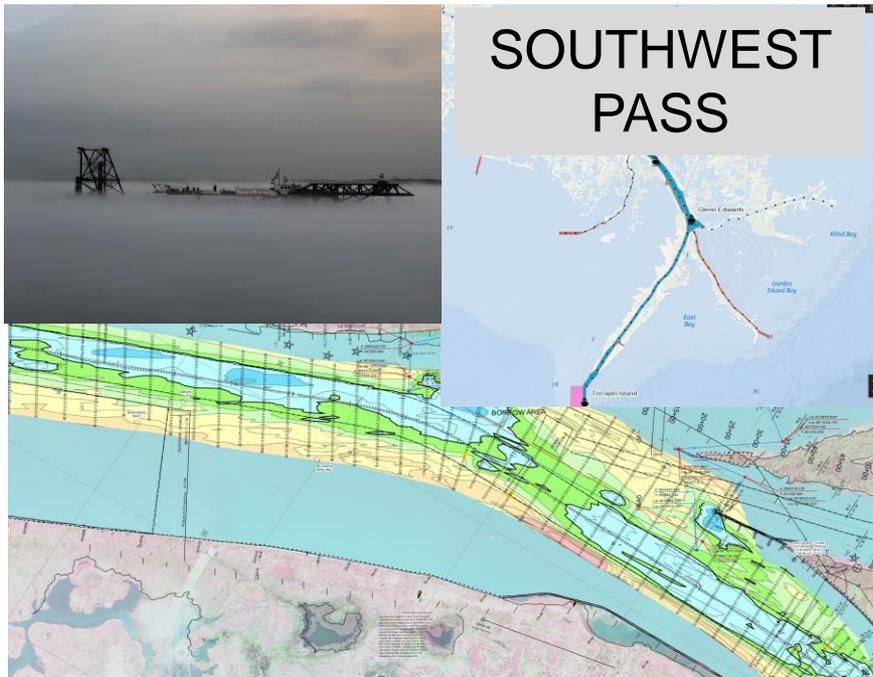
Forecast Location	Record (Days/Year)	2019 (Days/Period)	2011 (Days)	1973 (Days)	1927 (Days)
Cairo, IL	156 2019	156 Feb 8 th – Jul 13 th	59	97	76
Memphis, TN	65 1927	39 Feb 19 th – Mar 29 th	35	64	65
Arkansas City, AR	197 1927	94 Apr 16 th – Jul 19 th	44	72	197
Greenville, MS	155 2019	155 Feb 17 th – Jul 21 st	46	71	115
Vicksburg, MS	185 1927	162 Feb 17 th – July 28 th	48	83	185
Natchez, MS	215 2019	215 Jan 4 th – August 6 th	53	90	77
Red River Landing, LA	227 2019	227 Dec 27 th – August 10 th	59	95	152
Baton Rouge, LA	211 2019	211 Jan 6 th – August 4 th	79	99	135

Numbers in **Red** are records for this year

DATA PROVIDED BY U.S. ARMY CORPS OF ENGINEERS

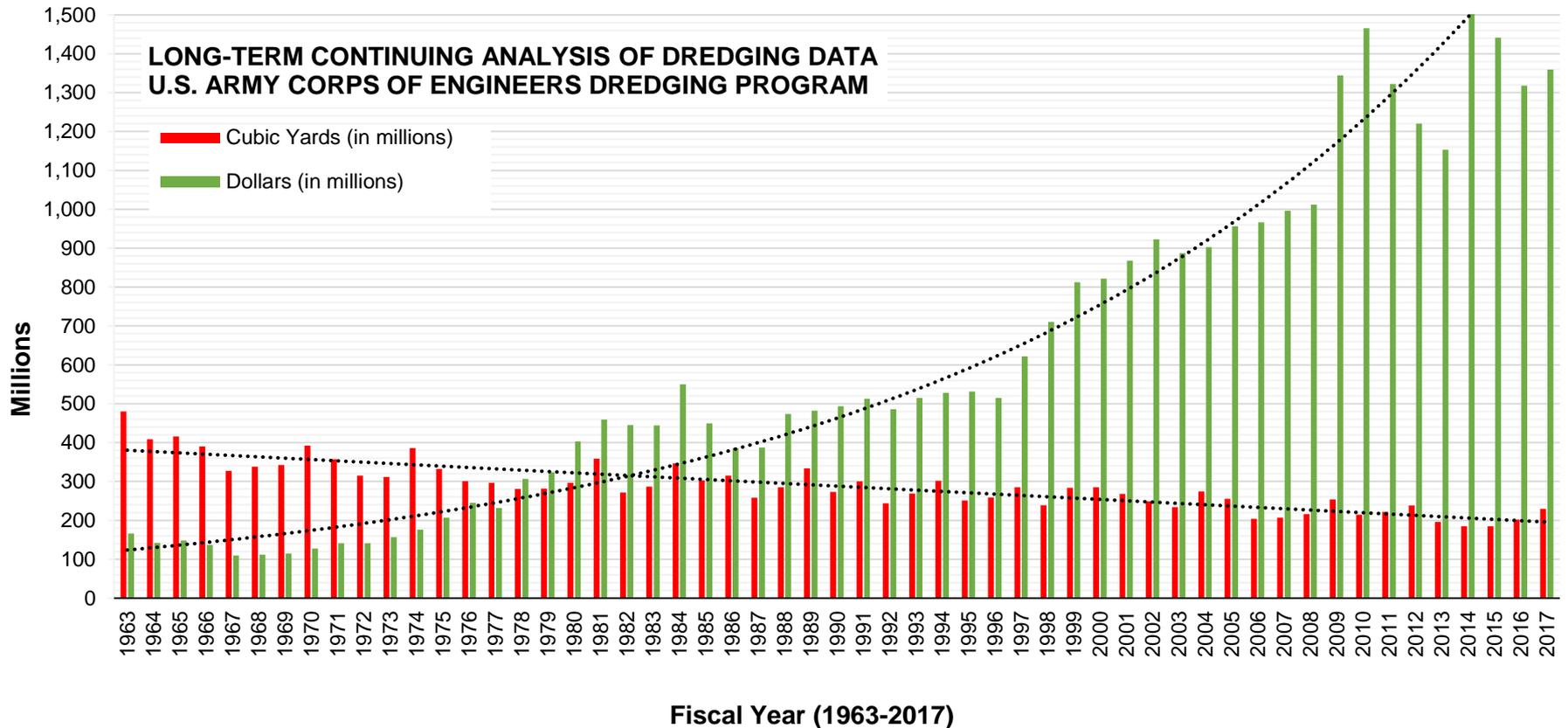


NAVIGATION CHALLENGES 2019





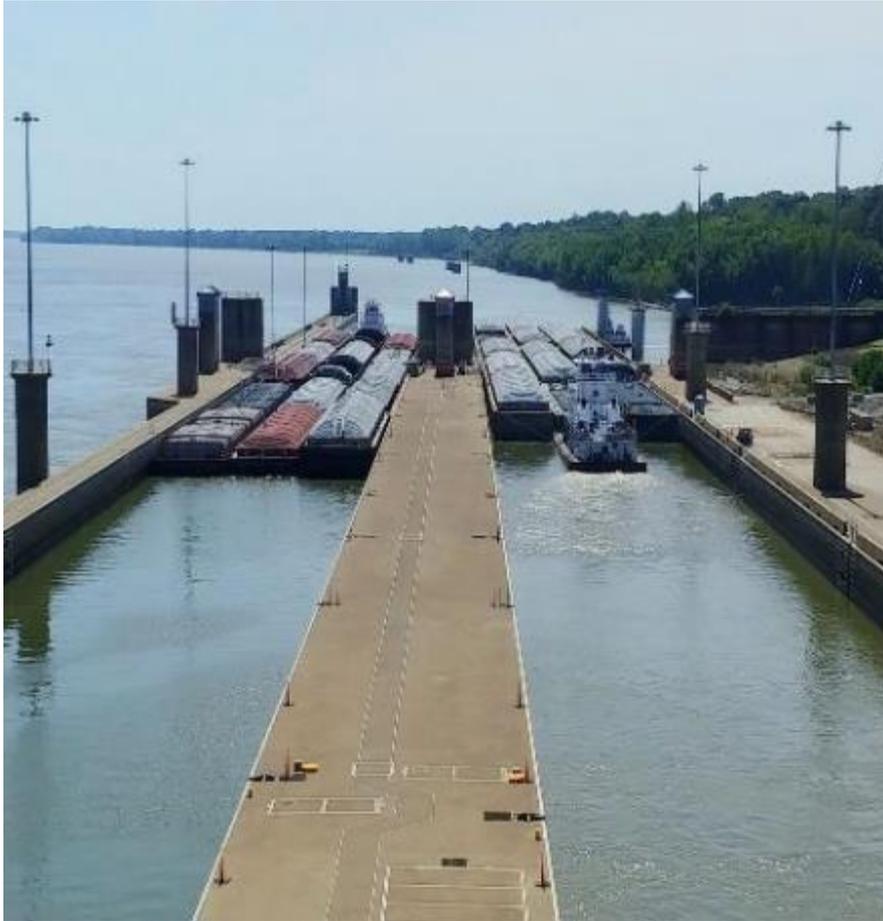
CHALLENGES TO NAVIGATION DREDGING



Growing dredging requirements and increasing cost present strategic risk

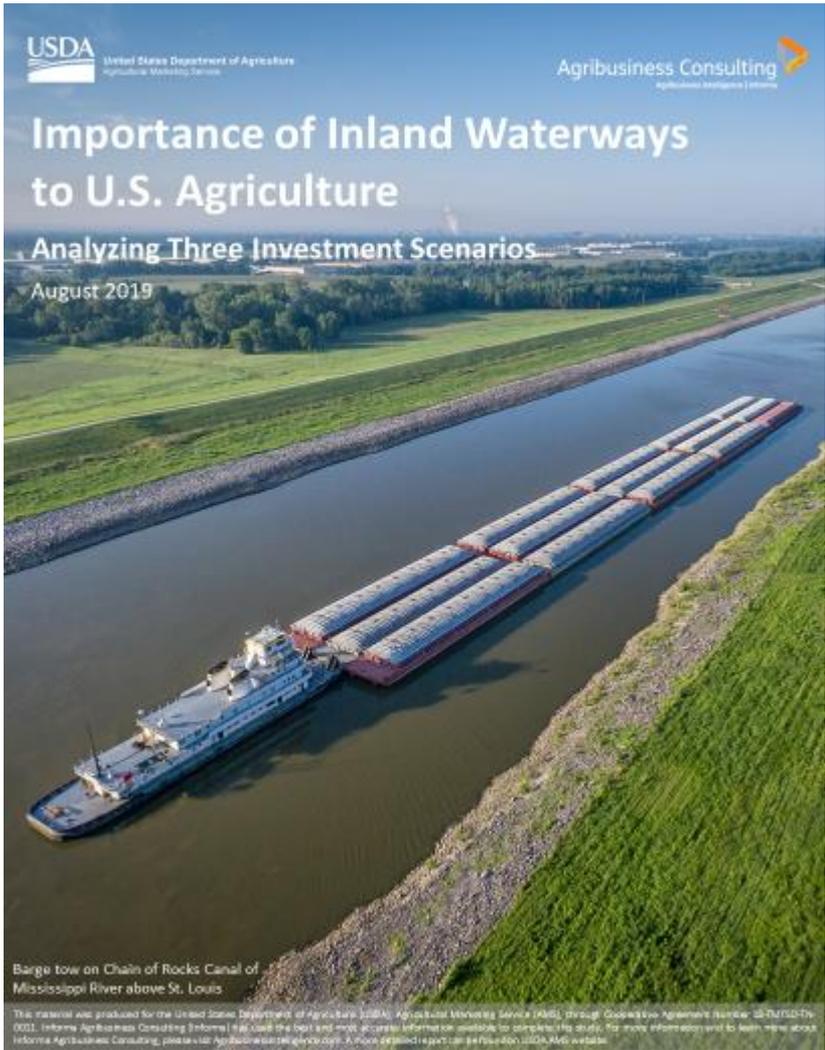


OLMSTED LOCKS & DAM

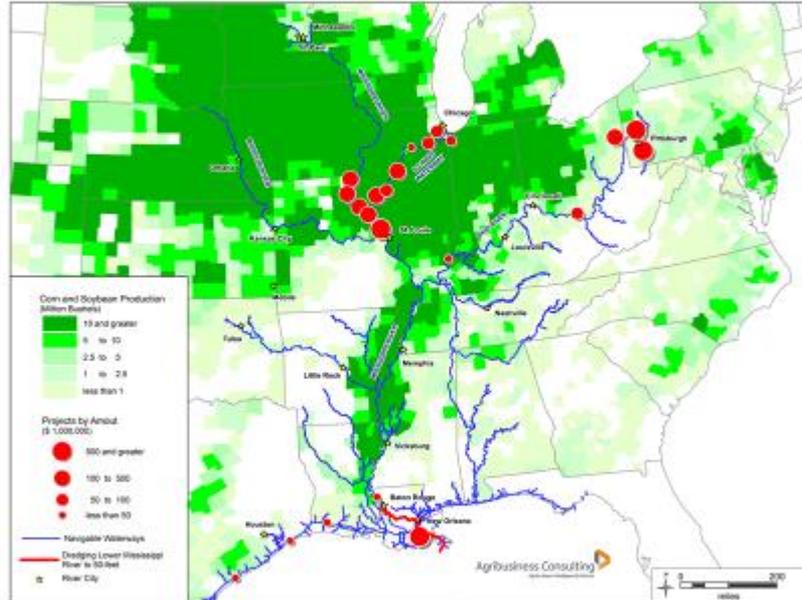




USDA REPORT ON THE VALUE OF INLAND MARINE TRANSPORTATION SYSTEM



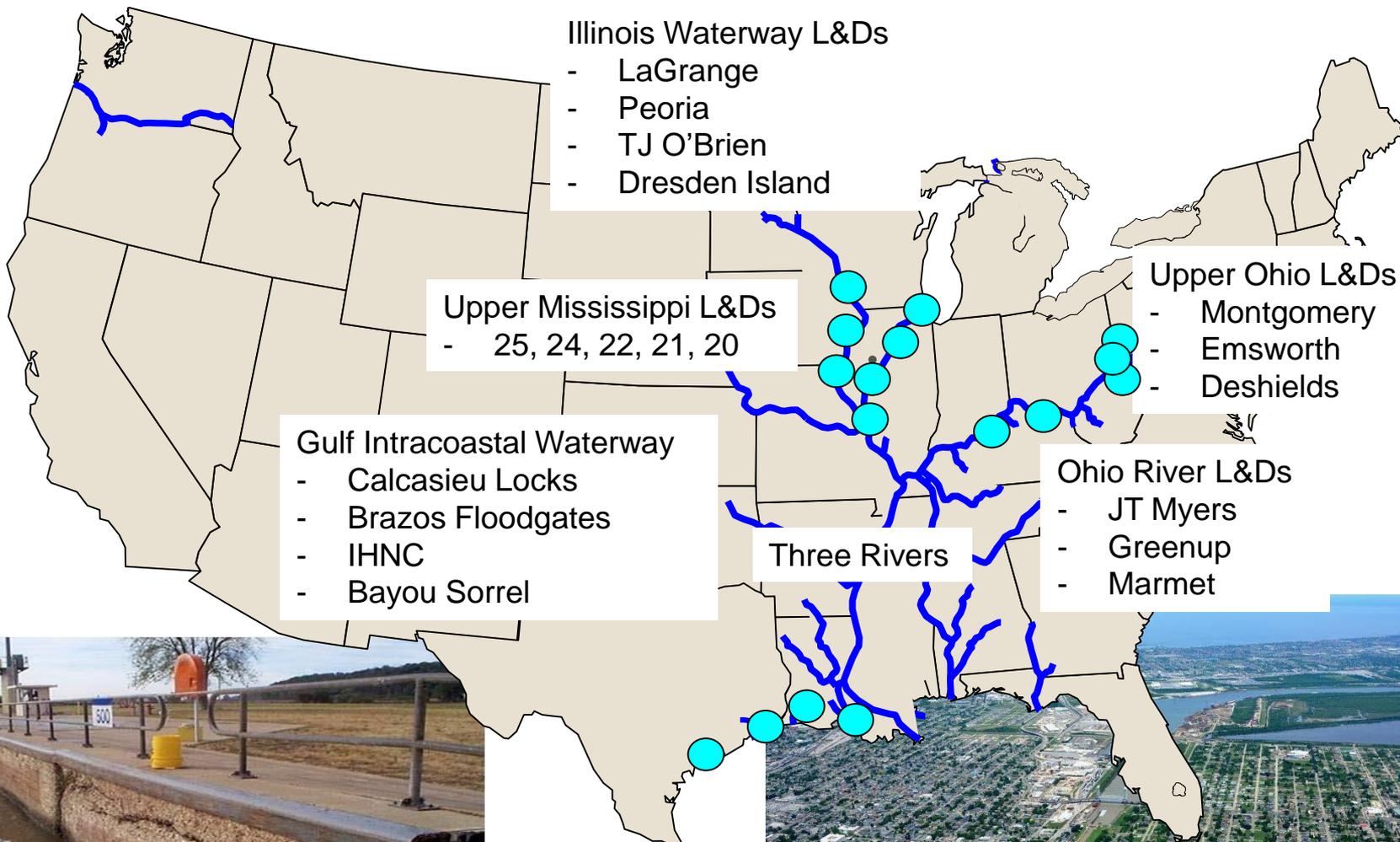
America's Heartland Requires a Reliable Transportation Corridor



Density of U.S. Corn and Soybean Production Areas in Proximity to the Navigable Waterways on the Mississippi River System Depicted in Map

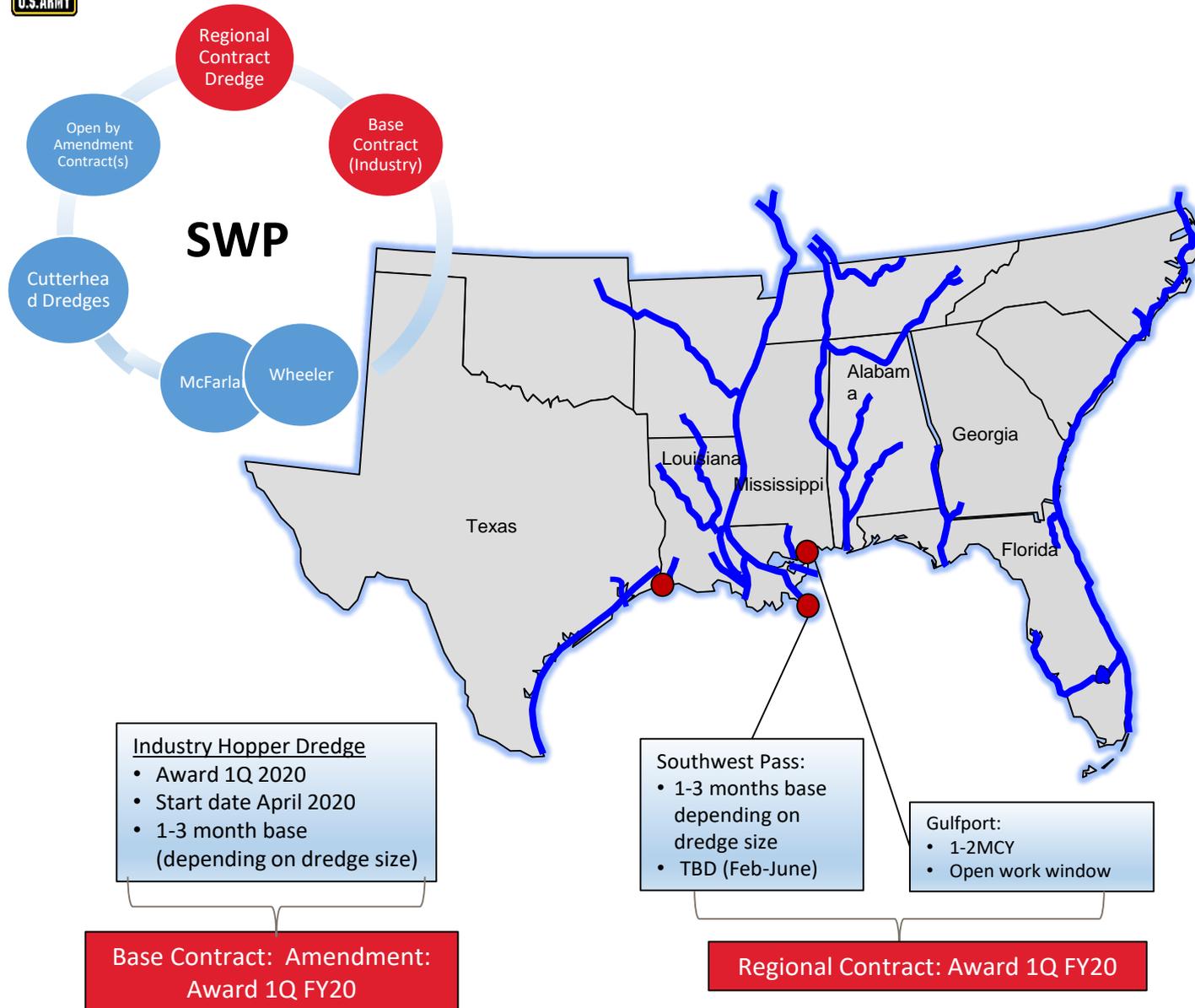


CAPITAL INVESTMENT OPPORTUNITIES





USACE Approach: Southwest Pass 2020



Purpose: to solicit and secure a base hopper dredging capability for the SWP during periods of typical high demand, thereby:

- Reinforce our priority on SWP navigation
- Provide predictability to our enterprise program,
- Enable better communication with our stakeholders, and
- Provide clarity on a critical part of our program to our dredging partners.



REGIONAL DREDGE DEMONSTRATION PROGRAM

Significant—and occasionally even historic—storm events continue to occur across the nation, impacting critical Federal commercial navigation projects throughout the United States. Those impacts have been particularly acute across the Gulf Coast region as significant and prolonged shoaling patterns resulting from these recurring storm events continue to degrade Federal navigation channel conditions and adversely impact commercial deep draft navigation. The goal of the Regional Demonstration Program is to minimize disruption to the delivery of the dredging mission, and of the vital cargo which depends on execution of this mission across the Nation, as a result of the significant shoaling in the Gulf region. The combination of extensive additional shoaling from recurring storm events on top of significant routine annual dredging demands have resulted in high utilization rates for U.S. hopper dredging assets in recent years, including both industry and Corps dredges. High hopper dredge utilization rates have resulted in limited dredge availability for nationally significant dredging projects in recent years, in some cases critically impacting the acquisition process, particularly in the case of the Southwest Pass of the Mississippi River Baton Rouge to Gulf project. Corps dredging operations are typically planned, executed, and funded on a project-by-project basis, in an incremental fashion, on an annual cycle. To respond more effectively to critical national dredging requirements resulting from these significant recurring storm events, in combination with routine annual dredging demands, the Corps shall execute a multi-year dredging demonstration program within the Central Gulf Coast Region.

Key features of the program will explore innovative ways of executing dredging in a logical, sequenced manner, unconstrained by more traditional project-specific, account-specific, or single year restrictions. The demonstration program will leverage multi-year funding and will propose to test new approaches and concepts for constructing and maintaining deep draft harbors and waterways in a more flexible and efficient manner. The program will also seek efficiencies and cost savings by evaluating the region as a system in order to properly determine when combining work across multiple deep draft commercial navigation projects, across years, or across Construction and Operations & Maintenance [O&M] accounts is appropriate. Considering the increasingly common recurrence of annual requirements for emergency dredging at the Southwest Pass, as well as the uncertainty that this response places on other dredging projects being executed by the U.S. hopper fleet across the entire Gulf Coast and Eastern seaboard, **the Corps shall establish such a regional program, focused on the central Gulf Coast. By including the Mississippi River Baton Rouge to Gulf (Southwest Pass) and other nearby Gulf Coast commercial navigation projects, goals of the program will include being more responsive to dredging demands within the region, while minimizing disruption to critical construction and maintenance dredging requirements enterprise wide.**

To demonstrate the described multi-year efficiencies, the Committee recommends \$525,000,000 in a Regional Dredge Demonstration Program funding pot in the Construction account to be used for deep draft navigation projects in the Gulf of Mexico, between Louisiana and Florida. Further, additional funding has been recommended in the O&M account to support the Gulf of Mexico demonstration projects.

- Improved project schedules/faster construction execution at the demonstration projects;
- Fewer disruptions to other projects across the enterprise due to emergencies at the Southwest Pass (pulling dredges off projects);
- Fewer or no bid busts (bid higher than the Independent Government Estimate by 25%) for the demonstration projects;—
- Reduced cost per cubic yard at the demonstration projects and/or across the enterprise for hopper dredge contracts;
- Efficiency of contract award process at the demonstration projects; and
- Fewer “no bid” responses at Mississippi River Baton Rouge t

PROPOSED REGIONAL DREDGE DEMONSTRATION PROGRAM

“The Corps shall establish such a regional program, focused on the central Gulf Coast. By including the Mississippi River Baton Rouge to Gulf (Southwest Pass) and other nearby Gulf Coast commercial navigation projects, goals of the program will include being more responsive to dredging demands within the region, while minimizing disruption to critical construction and maintenance dredging requirements enterprise wide.”



Calendar No. 204

116TH CONGRESS }
1st Session }

SENATE

{ REPORT
116–102

ENERGY AND WATER DEVELOPMENT APPROPRIATIONS
BILL, 2020

SEPTEMBER 12, 2019.—Ordered to be printed

Mr. ALEXANDER, from the Committee on Appropriations, submitted
the following

REPORT

[To accompany S. 2470]



Selected Navigation Activities

- Dredge Scheduling/Optimization/ Dredge Data Pilot
- Regional Dredge Contracting*
 - ✓ SWP 2020
 - ✓ Proposed Demonstration Program
- USACE Reserve Fleet:
 - Dredge McFarland Recapitalization
 - Management and Operations Review
- Beneficial Use of Dredge Material
- Federal Standard
- Capital Investment Strategy
- Subchapter M Implementation

*USACE has regional contracts for dredging in several regions, this item refers to expanded approaches



THANK YOU

