

Civil Works Budget Development

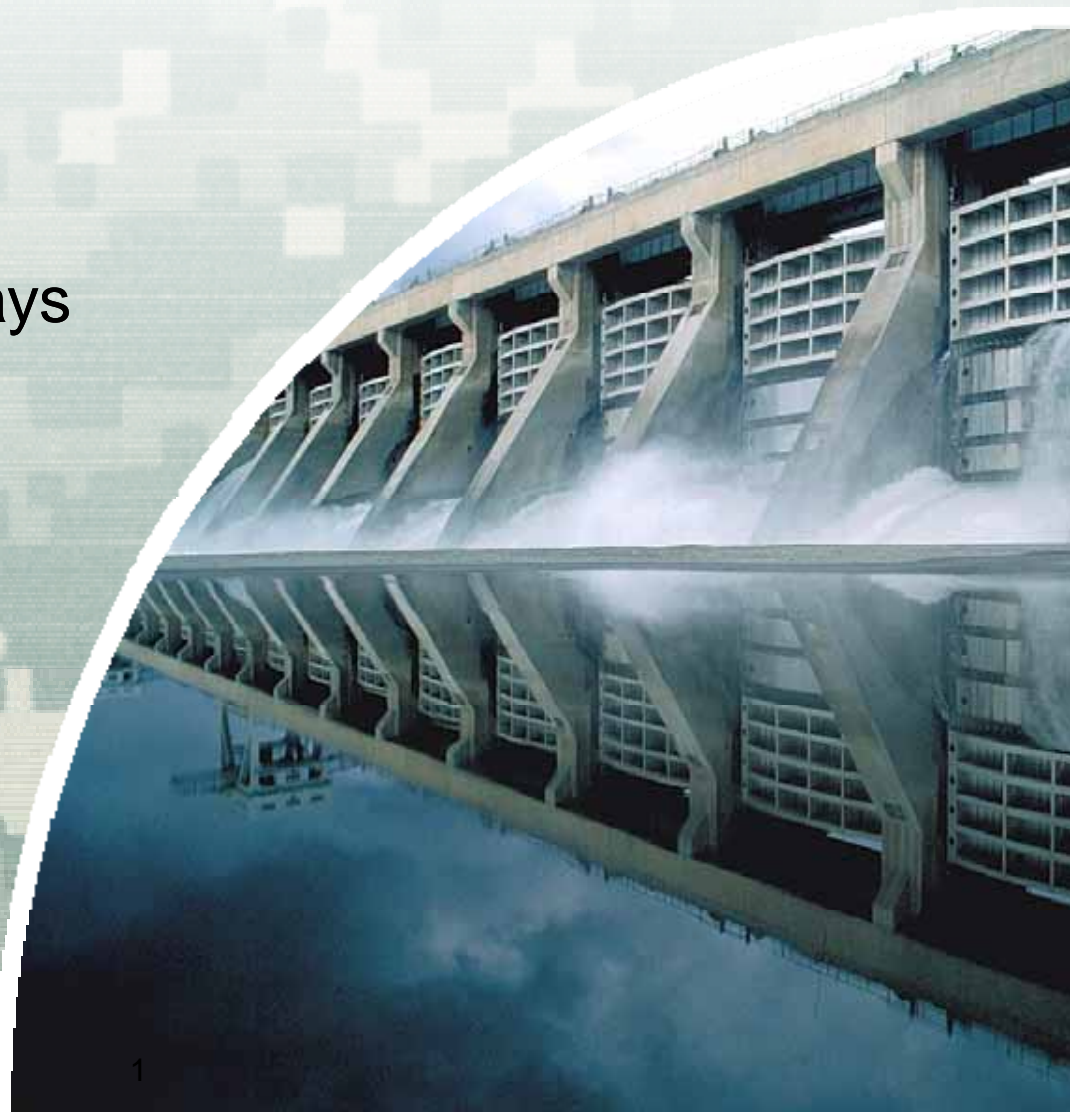
Presentation to
Pacific Northwest Waterways
Association

March 4, 2013/1000

Mark L. Mazzanti
Director, Programs Integration Division
Civil Works



US Army Corps of Engineers
BUILDING STRONG®



USACE Contributions to the Economy and the Environment

Recreation areas:
370 M Visitors/yr
Generate \$18B in
economic activity,
500,000 jobs



¼ of Nation's
Hydropower:
\$1.5B + in
power sales

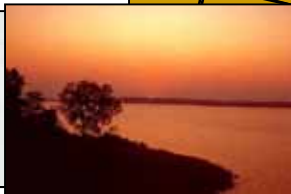


12,000 miles of
Commercial Inland
Waterways transport
goods at
½ the cost of rail or
1/10 the cost of trucks

926 Shallow &
Deep Draft
Harbors



#1 Federal Provider
Of Outdoor Recreation
54,879 Miles Of Shoreline
at USACE Lakes



~12,700 Miles of
Levees



Stewardship of
11.7 Million Acres
Public Lands



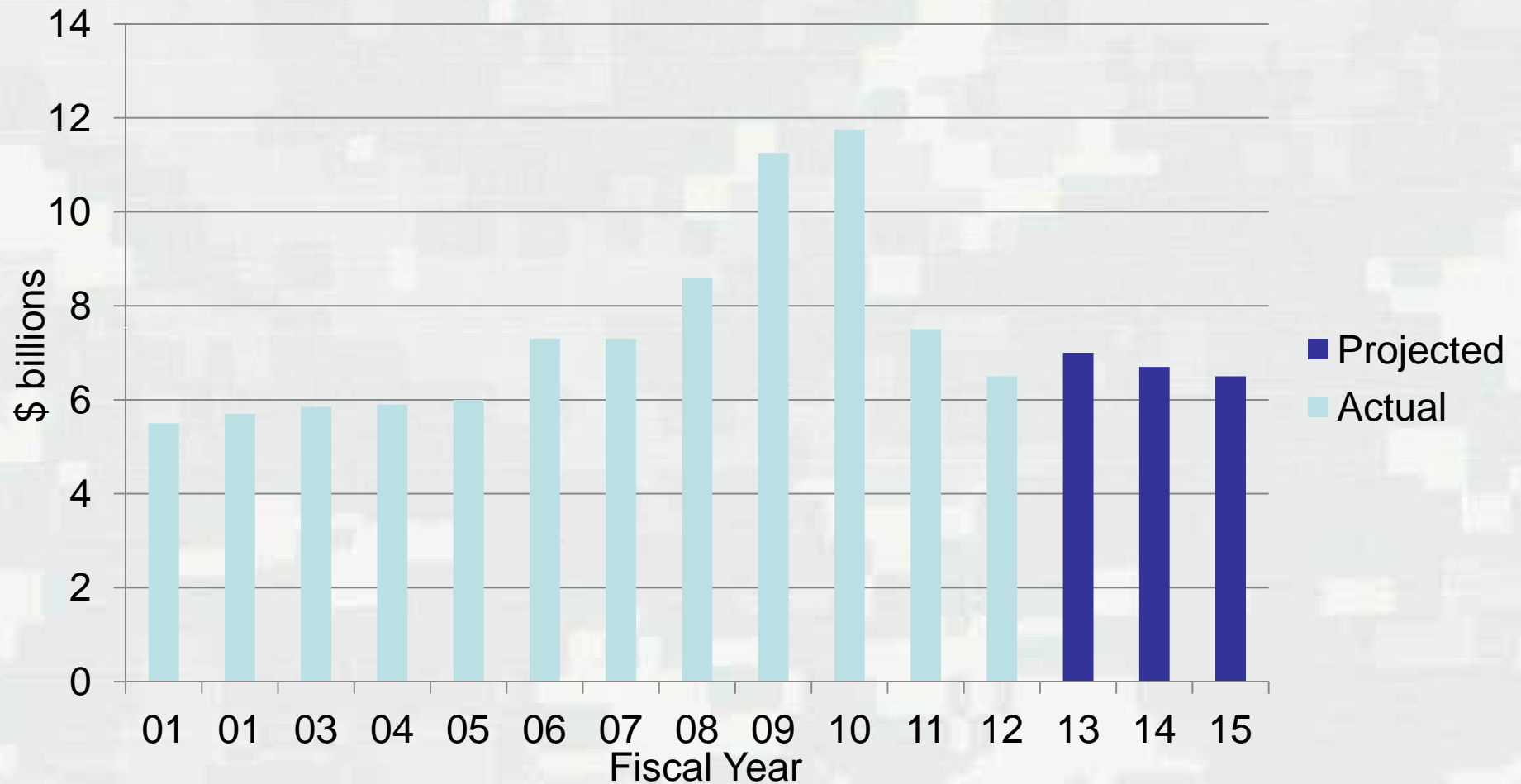
137 Major Environmental
Restoration Projects



BUILDING STRONG®

US Ports & Waterways Convey > 2.2 billion Tons Commerce
Corps Maintained Ports Provide Strategic Deployment Capability
Harbor Maintenance Trust Fund collects \$1.3 billion revenue

Historical & Projected Obligations



NOTE: ~\$25 billion in 10 Supplemental Appropriations from FY05-13



BUILDING STRONG®

FY 12/13 CW Program (by Business Line)

(\$ Millions)

Business Line	FY 2012 Budget	FY 2012 Appropriation	FY 2013 Budget	FY 12-13 Change
Navigation	1575	1883	1748	173
Flood Risk Management	1447	1425	1406	-41
Aquatic Ecosystem Restoration	533	545	511	-22
Recreation	259	243	252	-7
Hydropower	182	192	180	-2
Regulatory	196	193	205	9
Environmental Stewardship	100	97	96	-4
FUSRAP	109	109	104	-5
Emergency	34	119	36	2
Water Supply	5	6	6	1
Expenses	185	185	182	-3
OASA (CW)	6	5	5	-1
Total	4631	5002	4731	100



Sequestration?

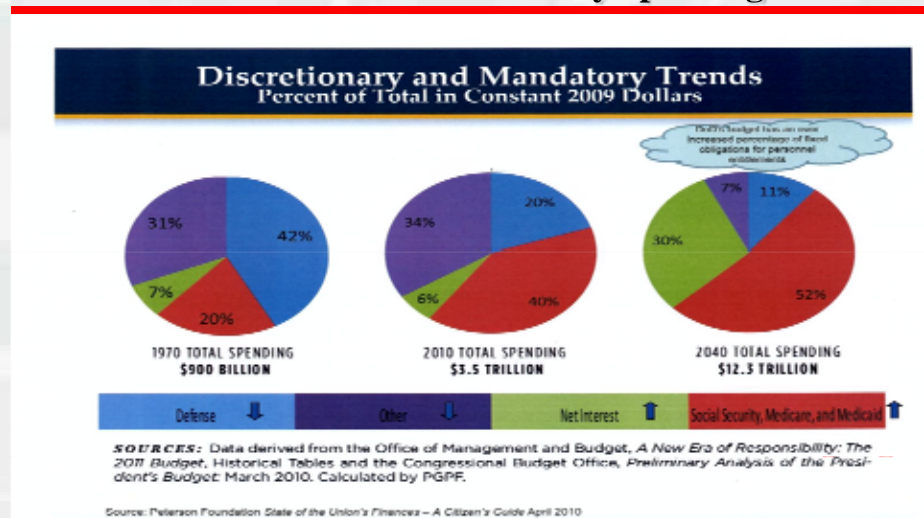
- 5 Percent for Most Accounts
- Annual appropriations are sequestered (\$255M)
- Sandy supplemental funds are sequestered (\$268M)
- Non-Federal cost sharing funds are sequestered (\$14M)
- Specific project impacts will be determined through development of FY13 “work plan”



“The Perfect Storm” Hitting the CW Program

- Aging capital stock portfolio with program becoming unsustainable
- Underfunded CW budgets with anticipated future spending constraints
- Declining performance across all CW business lines
- Increasing demand and competition for water & water resources
- Climate Variability – increased frequency, intensity and location of extreme events
- Changing values of American people
- Under-appreciated value of the CW infrastructure with continuing challenges for communicating the “Value to the Nation” to American people & decision-makers

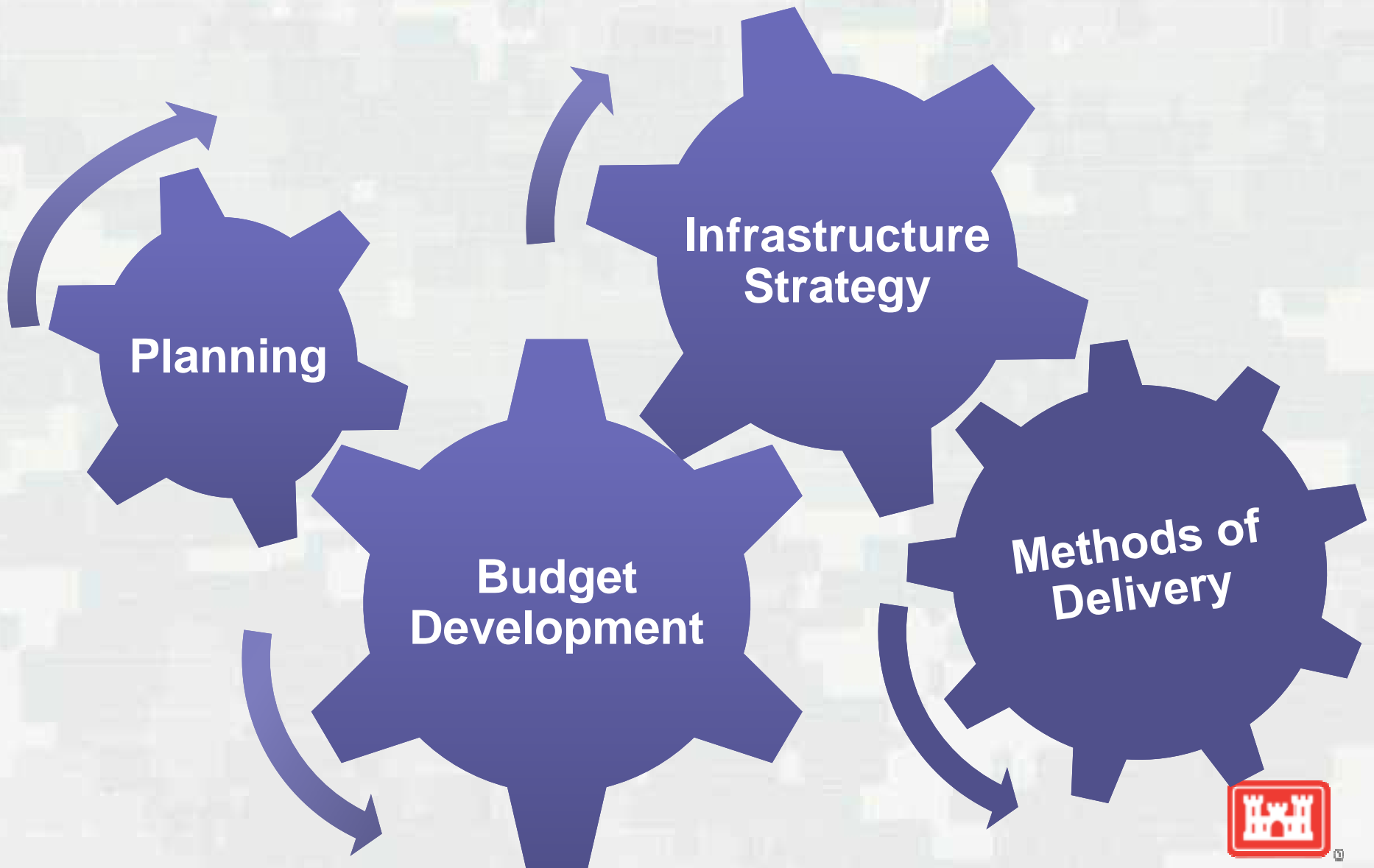
Mandatory Spending and Interest on Debt is Crowding out Domestic Discretionary Spending



2009 REPORT CARD FOR 2009 AMERICA'S INFRASTRUCTURE	Aviation	D
	Bridges	C
	Dams	D
	Drinking Water	D-
	Energy	D+
	Hazardous Waste	D
	Inland Waterways	D-
	Levees	D-
	Public Parks and Recreation	C-
	Rail	C-
	Roads	D-
	Schools	D
	Solid Waste	C+
	Transit	D
	Wastewater	D-

BUILDING STRONG®

CW Transformation Initiatives



Planning Modernization: Top Four Performance Priorities

- Improve planning project delivery (investigations and CG) and instill accountability at all levels
- Develop a sustainable national & regional planning operational and organization model
- Improve planner knowledge and experience (build the bench)
- Modernize planning guidance and processes
- 3X3X3



Methods of Delivery

- Relook our methods of delivery to be more efficient, cost-effective & timely
- Link technical capabilities to desired levels of service
- Integrate a Human Capital Plan to maintain core competencies
- Improve operation and management of our water infrastructure-reduce enterprise risk
- Focus areas-Centers of Expertise (CXs):
 - Dam safety, inland navigation design and deep draft navigation economics





Infrastructure Strategy

- An integrated approach to manage our assets, the life cycle of the system and seeking alternative financing:
 - ✓ **Asset Management:** Comprehensive approach to asset management
 - ✓ **Life cycle system:** Ensure future systems' viability through risk assessment and management, funding prioritization and sound decision making
 - ✓ **Alternative financing:** Provide a safe and reliable infrastructure by looking into alternative financing options
 - ✓ **CW decision making:** Develop a decision framework and process that enables a cross-cutting systems approach, supported by user friendly decision tools (WISDM, Money Ball, etc.)
 - ✓ **Strategic communication:** A robust strategy with key messages to increase national attention to water infrastructure, its value to the nation, critical needs and sustainability of our systems

End state: A RELIABLE, SUSTAINABLE INFRASTRUCTURE FUTURE!!

Budget Transformation

- Establish a goal-oriented, program based approach to budgeting
- Vertical alignment and integration of programs/BLs to National goals and objectives
- Institutionalize CW Strategic Plan, while incorporating IWRM into our budget development framework
- Improve justification & defense of budget allocations

End state: Sustainable & reliable water resources infrastructure



BUILDING STRONG®

National Watershed Vision

National Watershed Vertical / Horizontal **Integration**

Watershed is
forcing function for
Local, State, and
Federal effort

Provide focus on **effects** for
each watershed

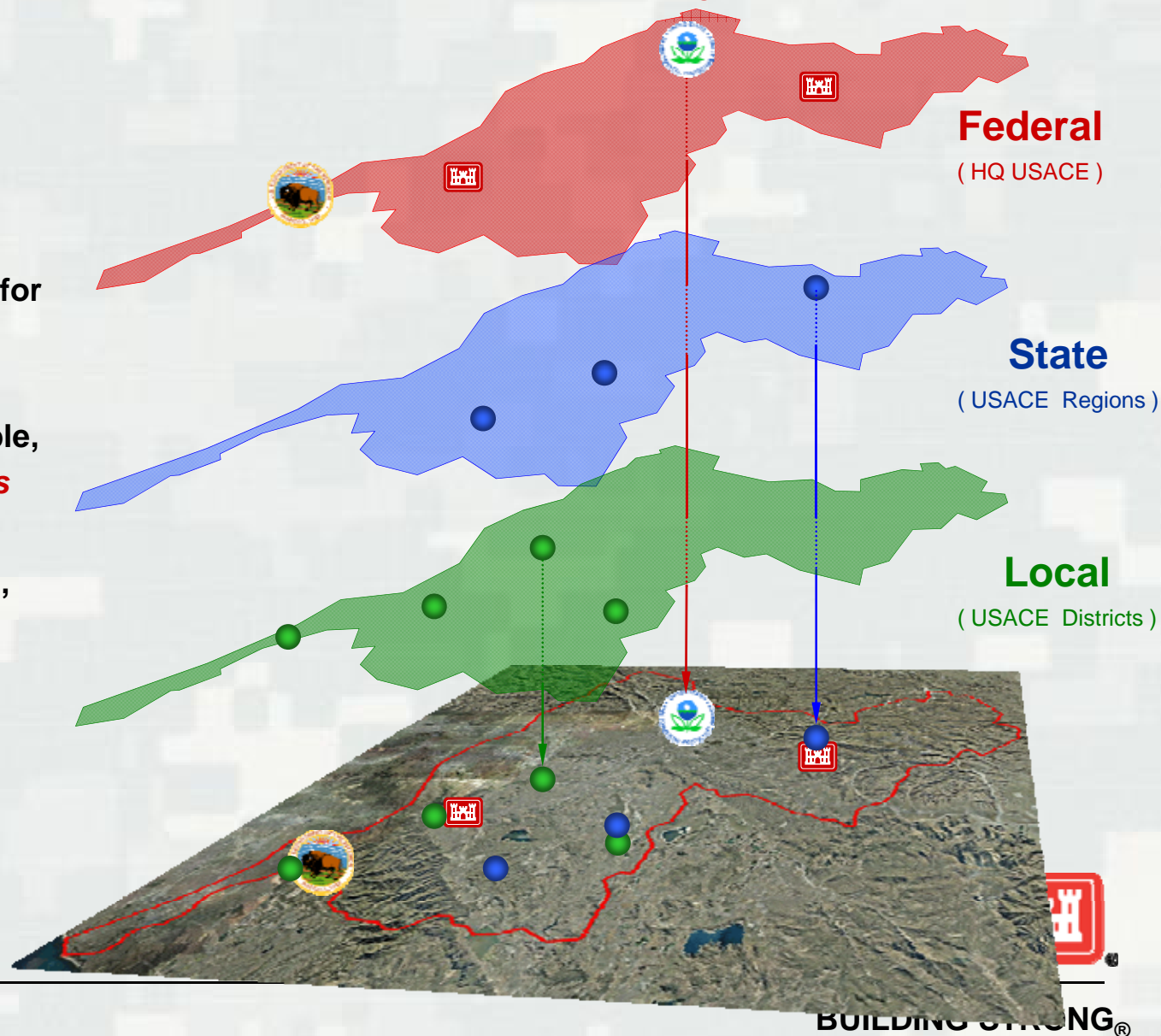
Identify feasible, acceptable,
and suitable **alternatives**

Align political, technical,
and fiscal **strategies**

10¢ **prevention**
upstream

VS.

\$1000 in **recovery**
downstream



Partnering for a Common Vision

- **Leverage Efforts**
- **Emphasize Value to the Nation**
- **Find consensus on Major Initiatives**
 - **Funding to Reach Outcomes**
 - **Advocate for a WRDA?**
 - **Engage in Transformation**
- **Be mutually supportive**
- **Align and Share Messages**
- **Involve & Engage End-Users**
- **Influence Decision-Makers**



Thank You!



US Army Corps of Engineers
BUILDING STRONG®

