

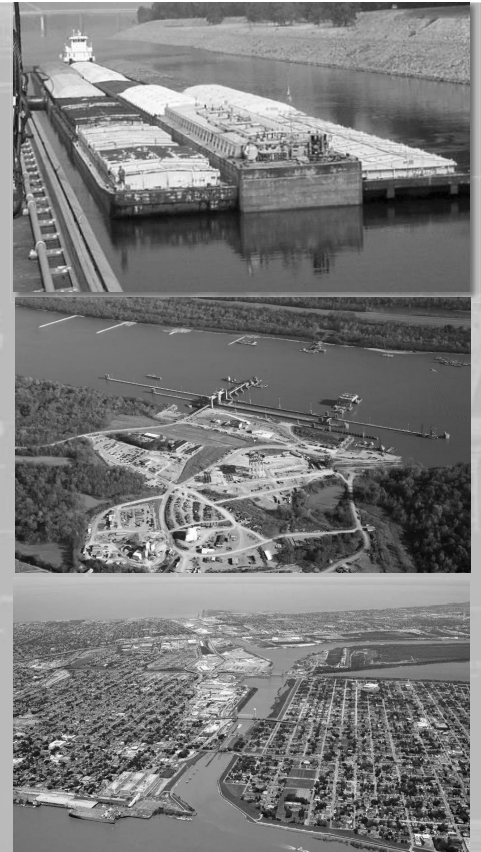
INLAND WATERWAYS CAPITAL INVESTMENT STRATEGY UPDATE

INLAND WATERWAYS USERS BOARD
MEETING NO. 92
SPRINGFIELD, VA

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Washington, D.C.
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US Army Corps
of Engineers®



AUTHORITY



- **Title II, Subtitle A, Section 2002, (d) of the Water Resources Reform and Development Act of 2014 (WRRDA 2014)** required, in part, for the Secretary of the Army, “in coordination with the Users Board, to develop and submit to Congress a report describing a 20-year strategy for making capital investments on the inland and intracoastal waterways based on the application of objective, national project selection prioritization criteria”
- **WRRDA 2014 also required:** (4) STRATEGIC REVIEW AND UPDATE – “Not later than 5 years after the date of enactment of this subsection, and not less frequently than once every 5 years thereafter, the Secretary, in coordination with the Users Board shall (A) submit to Congress and make publically available a strategic review of the 20-year program, which shall identify and explain any changes to the project-specific recommendations contained in the previous 20-year program.”
- **Inland and Intracoastal Waterways Twenty-Year Capital Investment Strategy Report** drafted in 2015 – published in March 2016.
- **Strategic Review and Update - Inland and Intracoastal Waterways Twenty-Year Capital Investment Strategy Report** – Goal is to draft the report in 2019 and finalize in 2020

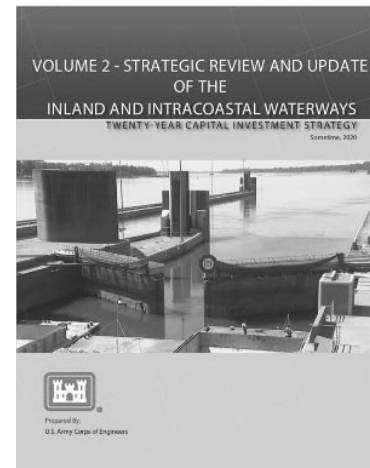
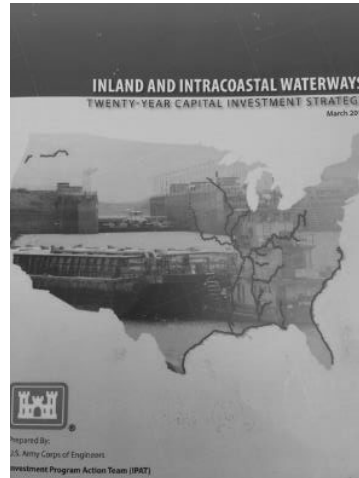
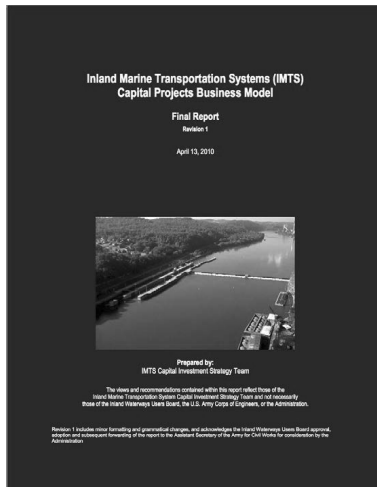


HISTORY



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- A risk-informed portfolio investment approach, focused on maximizing system performance
- Nationally consistent and repeatable approach across the entire inland marine transportation system
- Buys down risk, improves system reliability
- Mitigates economic impacts to marine stakeholders



What has Happened since the 2016 Report



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- Olmsted Locks & Dam became operational in August 2018.
- Monongahela River Locks & Dams 2, 3 and 4 construction was included the FY 2020 President's Budget funded to complete.
- Chickamauga Lock construction cost share was changed to 85% General Treasury/15% IWTF (from 50%/50%) for FY 2019 only.
- The highest priority Major Rehab project - LaGrange L&D on the Illinois Waterway - is fully funded in FY 2019 and construction is underway, scheduled to complete in FY 2021.



Key Assumptions moving forward



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- Ongoing construction projects will be given consideration.
- In accordance with WRRDA 2014, the CIS Plan assumes efficient funding when practicable for projects already under construction.
- Funding will follow existing authority established in WRDA 1986.
- A minimum balance in the IWTF will be maintained for contingencies.
- Budgeting Priority is dependent on Administration guidance.
- This is a planning framework and does not take the place of the normal budgeting process or commit the government to future actions.



What is the report update strategy?



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- The Team is using the same strategy developed for the 2016 CIS report using a corporate-level, risk informed process and methodology. These include benefit/cost ratio (BCR), asset management principles and analytical tools for assessing lock and dam project conditions, reliability and economic consequences of failure.
- The team has identified categories of investment to include 1) Projects already under construction 2) Projects authorized with current economic data 3) Projects authorized which need economic updates 4) Projects that need authorization.
- The team is currently finalizing attribute matrixes as part of structured analytic process to help develop recommendations for investment strategies.
- Apply expert elicitation and professional experience to the analytical results.



SCHEDULE



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• Course of Action:

- ✓ Finalized project data from MSCs
- ✓ Introduced CIS efforts to IWUB
- ✓ Conducted engagement with Users Board and subset including industry stakeholders
- ✓ Initiated drafting of revised report

- Complete analytical analysis of projects

- Complete draft report for agency and Users Board review

- Finalize draft report for submittal to ASA(CW) – December 2019



QUESTIONS?



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