

# Inland Waterways Users Board #73 – “Using ‘Risk Exposure’ for Development of Inland Navigation Life-Cycle Investment Strategies”

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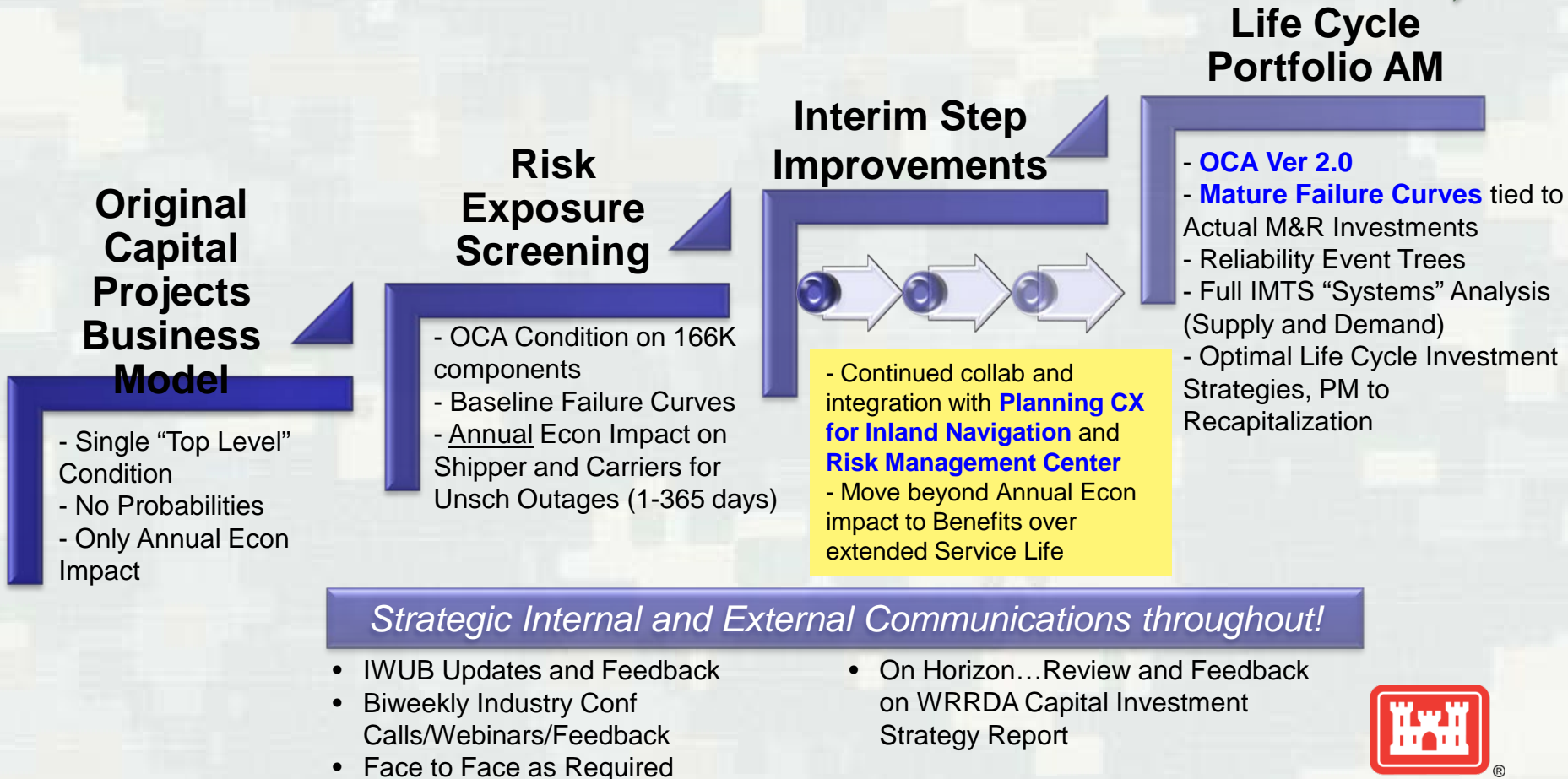


# The Journey Continues...

Delivering for the Present While Preparing for the Future

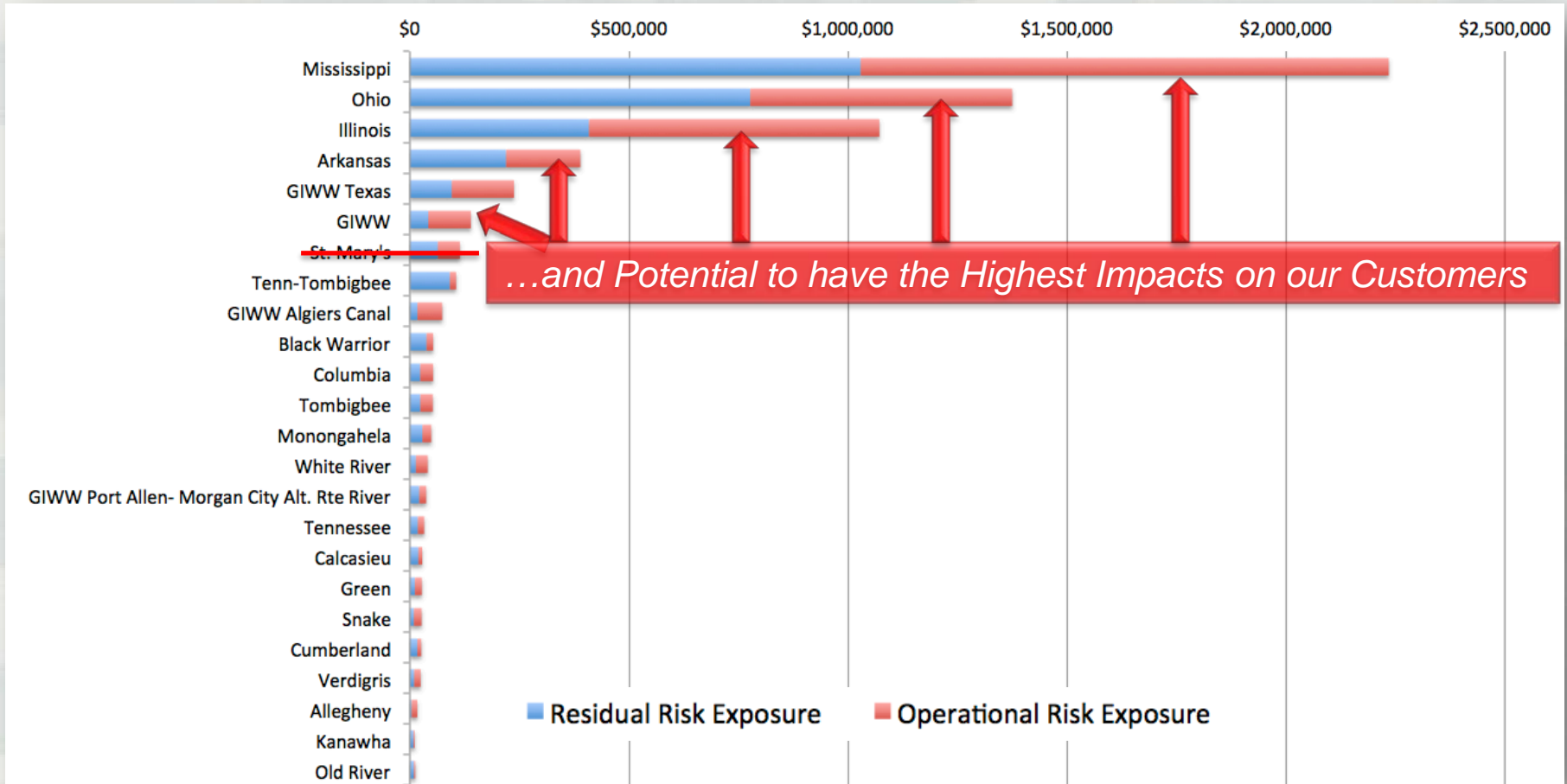
Subjective

Objective



# DRAFT Total Risk Exposure by Waterway

(Varying “Importance” of Different River Systems)



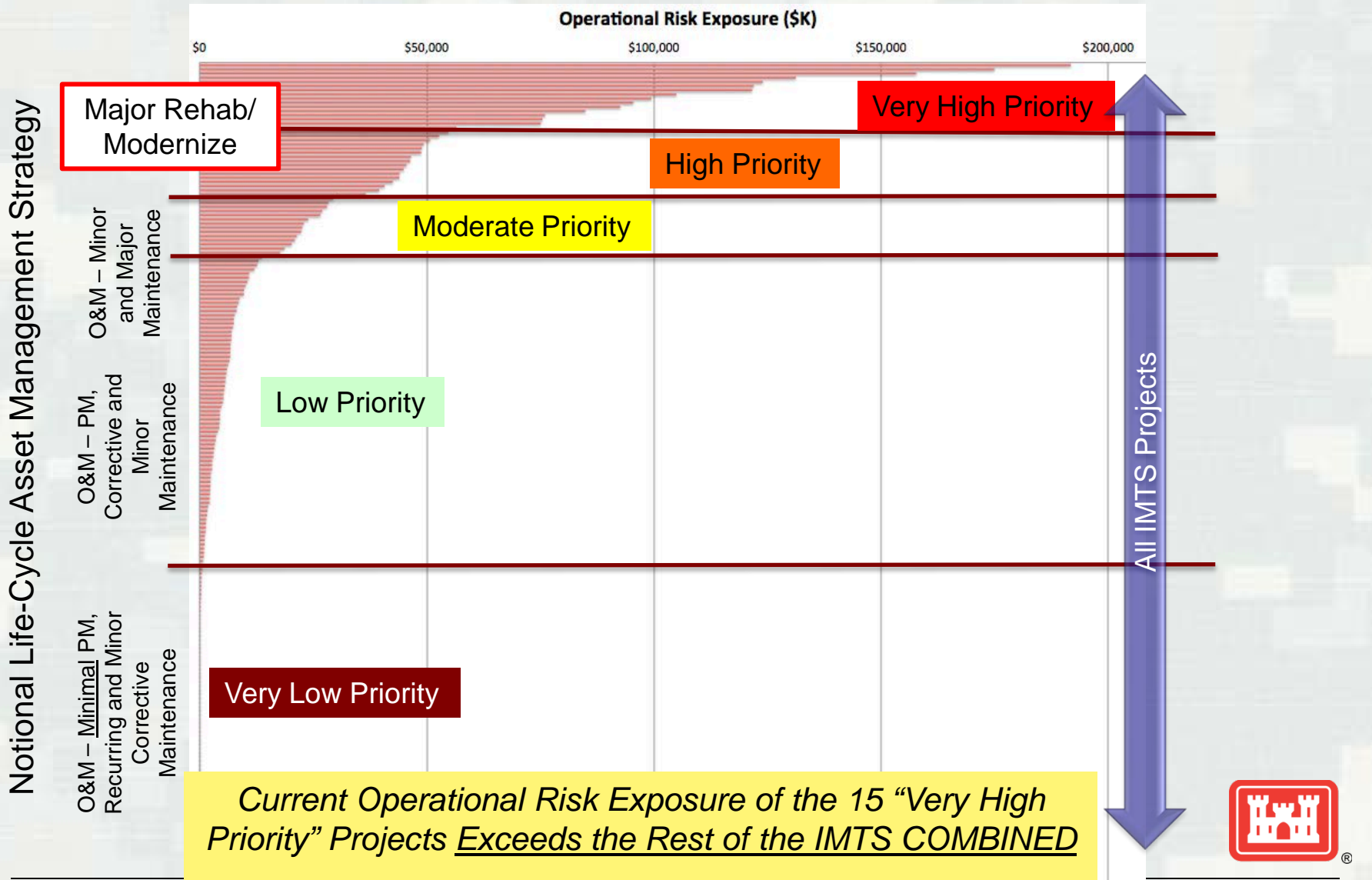
Note: “Waterway” Risk Exposure also driven by # of Projects

*...so let's focus on the Operational Risk Exposure that has the highest potential to impact the navigation mission...*



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# DRAFT Capital Investment Priority Classes



# 2010 CPBM Compared to Initial *Draft* Results from Updated Analysis

**Table 4-8. Total Ranking for the 10 Highest Ranked Projects**

**Initial DRAFT Operational Risk Exposure Results**

Project Name	Subproject Name	Criteria Total	Rank	Initial DRAFT Operational Risk Exposure Results			
				VH	H	M	L
Olmsted Locks and Dam	Olmsted L/D Construction	90.5	1	x			
Monongahela Locks and Dams 2, 3, and 4	Lower Mon 2,3,4, Dam Features	69.5	2				x
Monongahela Locks and Dams 2, 3, and 4	Lower Mon 2,3,4, Lock Features	68.8	3				x
Greenup Lock, Ohio River	Greenup Lock Extension PED	59.0	4		x		
Chickamauga Lock	Chickamauga Replacement Lock	40.2	5				x
Upper Mississippi & Illinois Waterway, L/D 25	1200' Lock Addition	26.9	6	x			
Upper Mississippi & Illinois Waterway, L/D 22	1200' Lock Addition	26.5	7	x			
Kentucky Lock Addition	Kentucky Lock Addition	26.3	8				x
Inner Harbor Navigation Canal Lock	IHNC	23.9	9	x			
Upper Mississippi & Illinois Waterway, Lagrange	1200' Lock Addition	23.2	10	x			

\* Current draft IMTS traffic forecasts indicate that there is not a capacity-driven need for any chamber expansions.

## Summary of Initial Draft Results - Very High & High Priority

Waterway	# of Projects
Mississippi	12
Ohio	8
Illinois	6
GIWW	4
MKARNS	2

- “Very High Priority” AND “High Priority” Projects Account for > 75% of Current Operational Risk Exposure over entire IMTS!!
- Indications of Priority Projects NOT in 2010 CPBM



# Status and Next Steps

- Developed Project Risk Profiles (Feature down to Component Level) for Very High and High Priority Projects
- Determine if the “Priority” Projects meet the Major Rehab Criteria (in the near term)?

The “Project” is a Major project **feature** restoration which - -

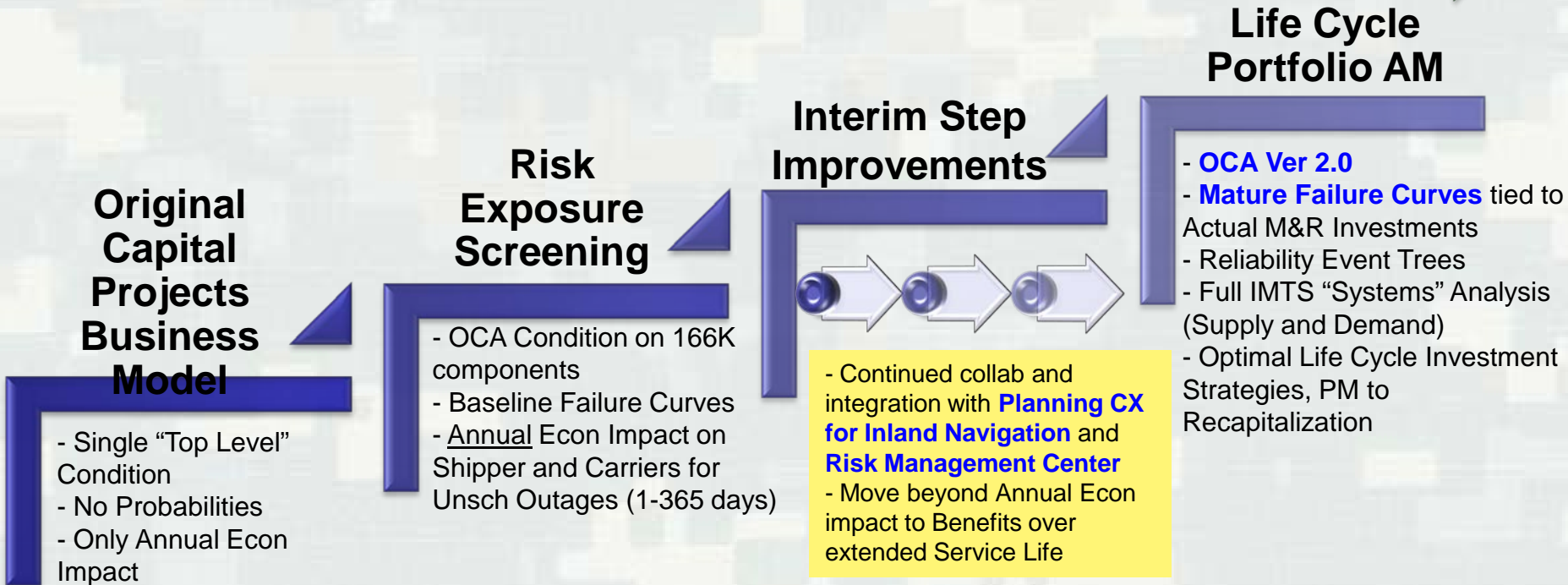
1. consists of **structural work** on an inland navigation facility operated and maintained by the Corps of Engineers;
  2. will **significantly** extend the physical life of the feature;
  3. is economically justified by a **benefit-cost analysis**;
  4. will take **at least 2 years** to complete; and
  5. will require **at least \$20,000,000 or current threshold** in capital outlays
- Verify Scope at MSC/District, apply Cost Center of Expertise Rough Order of Magnitude (ROM) Costs, adjust as required

*Enables Development of a Strategic Integrated Life-Cycle Inland Navigation Investment Plan*



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Delivering for the Present While Preparing for the Future



*Strategic Internal and External Communications throughout!*

- IWUB Updates and Feedback
- Biweekly Industry Conf Calls/Webinars/Feedback
- Face to Face as Required
- On Horizon...Review and Feedback on WRRDA Capital Investment Strategy Report



# Questions?

