

WRRDA 2014 Capital Investment Strategy Update

Jeanine Hoey, PE, PMP

Chief, Programs and Project Management

Pittsburgh District, US Army Corps of Engineers

Jeanine.Hoey@usace.army.mil

PH: 412-395-7289

14 May 2015



US Army Corps of Engineers
BUILDING STRONG®



Water Resources Reform and Development Act of 2014

Title II, Subtitle A, Section 2002, (d), (d) CAPITAL INVESTMENT PROGRAM.-

"(1) IN GENERAL. -Not later than 1 year after the date of enactment of this subsection, the Secretary, in coordination with the Users Board, shall develop and submit to Congress a report describing a 20-year program for making capital investments on the inland and intracoastal waterways based on the application of objective, national project selection prioritization criteria.

*"(2) CONSIDERATION.-In developing the program under paragraph (1), **the Secretary shall take into consideration the 20-year capital investment strategy contained in the Inland Marine Transportation System (IMTS) Capital Projects Business Model, Final Report published on April 13, 2010, as approved by the Users Board.***

"(3) CRITERIA.—In developing the plan and prioritization criteria under paragraph (1), the Secretary shall ensure, to the maximum extent practicable, that investments made under the 20-year program described in paragraph (1)—

"(A) are made in all geographical areas of the inland waterways system; and

"(B) ensure efficient funding of inland waterways projects.





Draft Working Results

- Current Working Draft Scenario Schedule Comparison
 - Budget (added since IWUB Meeting #74)
 - Annual Appropriations (*formerly “Constrained”*)
 - Maximized IWTF Program (*formerly “Unconstrained”*)
- Key Concepts Incorporated from 2010 CPBM
 - Concept of “Finish What we Start”
 - Efficient Funding as Best We Can
 - Incorporate Life Cycle Asset Management

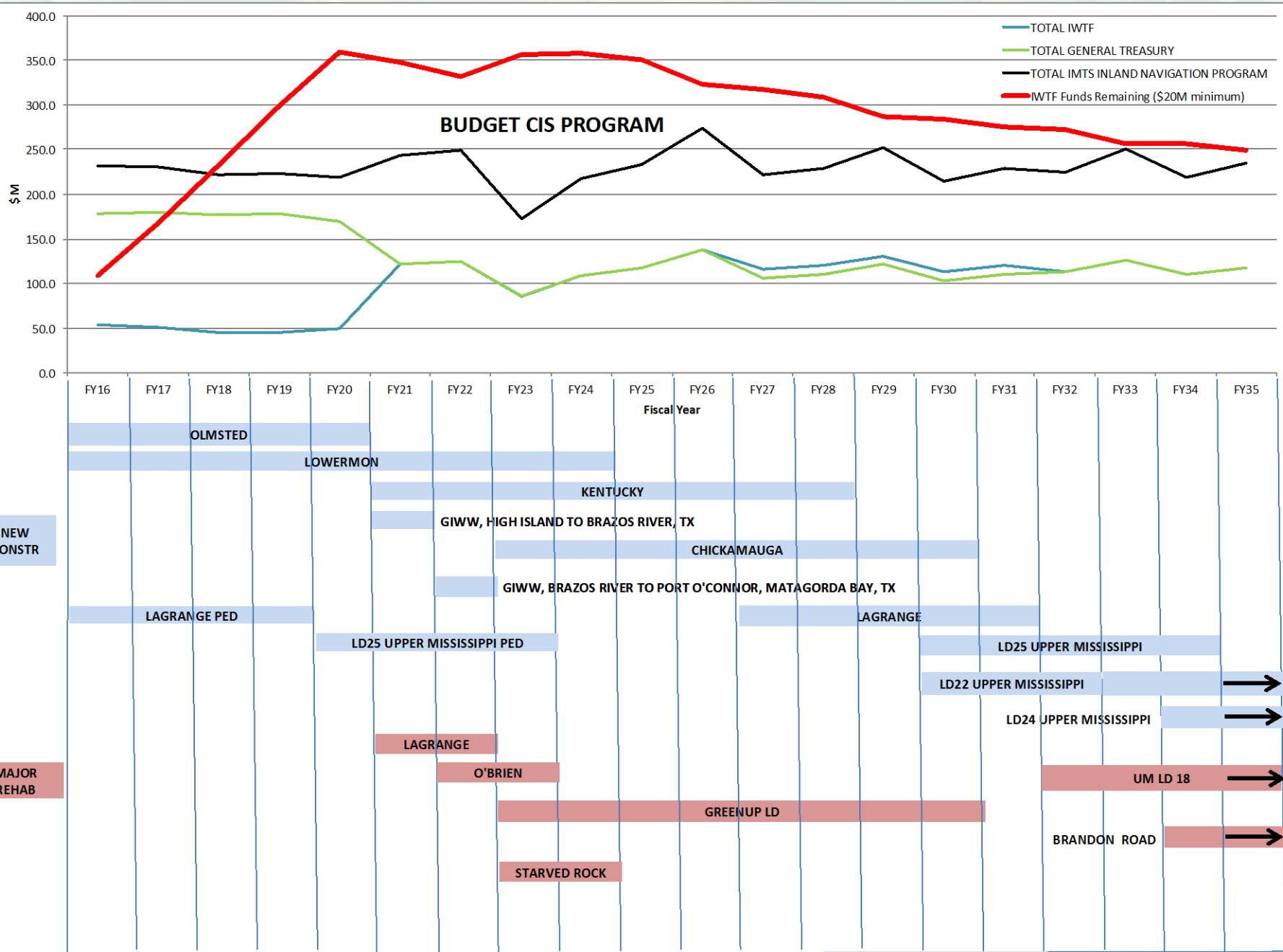


Assumptions for all Scenarios

- Remaining costs based on current project cost estimate for projects beginning in FY16
- Only LaGrange and O'Brien have MRR's completed, all others require MRR's. Cost est. are rough order of magnitude and will be updated after reports completed
- FY16 IWTF available includes ~ \$50M PY Balance
- "Lower Mon" does not include costs for Port Perry Bridge or land chamber
- IWTF minimum balance floor is \$20M based on fluctuations in IWTF receipts over last 10 years

This Capital Investment Strategy is for strategic planning purposes only and does not supplant (but does inform) budget processes or commit the Government to future actions





Budget Scenario Summary

- Additional Assumptions:

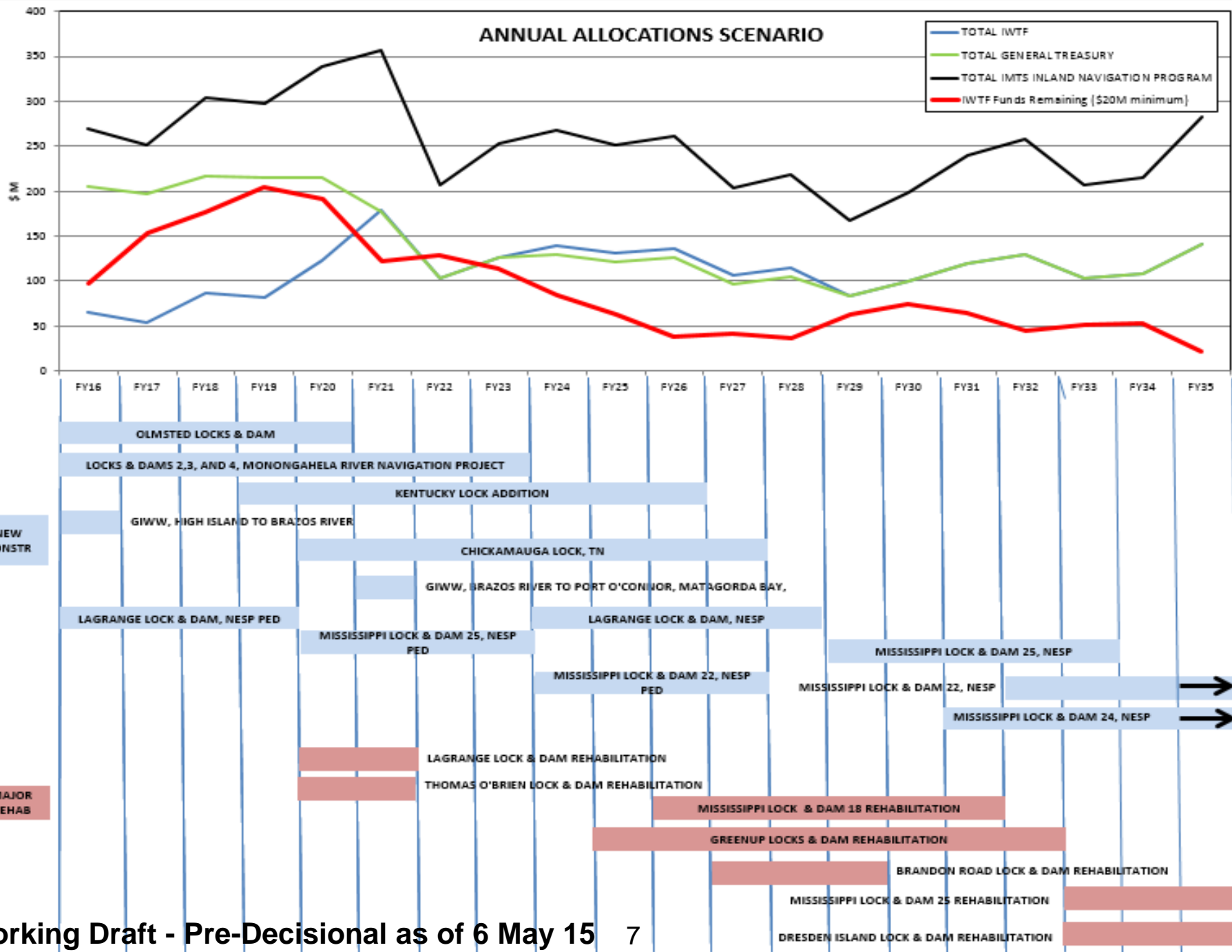
- ▶ Limited to \$180M General Treasury
- ▶ Limited to \$250M max for program in general
- ▶ Hard Cap of \$280M (exception, not the rule!)
- ▶ IWTF receipts = \$110M/year

- Highlights:

- ▶ \$4.6 billion for 20 year CIS window BUT \$6.0 billion to complete all of the projects IN that 20 year CIS window!!
- ▶ Requires a maximum of \$275 million in any one year
- ▶ Results in Maximum IWTF balance of \$360 million, builds up fast due to Olmsted and decreases very slowly
- ▶ Completes 8 Construction projects, with 2 in progress; and
- ▶ Completes 4 Major Rehabs, with 2 in progress



ANNUAL ALLOCATIONS SCENARIO

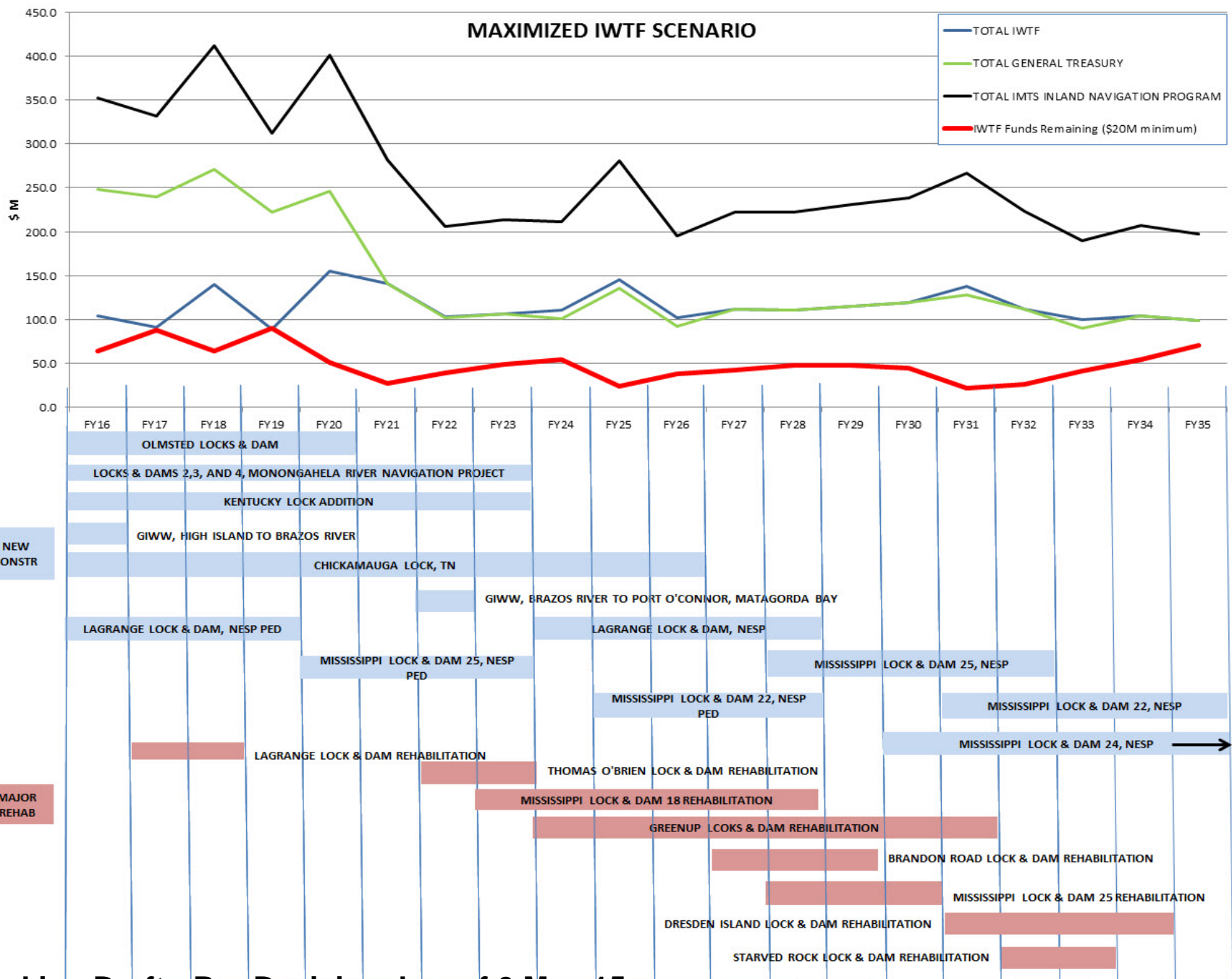


Annual Allocations Scenario Summary

- **Additional Assumptions:**
 - ▶ Limited to \$220M General Treasury
 - ▶ IWTF receipts = \$110M/year
 - ▶ Annual appropriations greater than President's Budget
- **Highlights:**
 - ▶ \$5.0 billion for 20 year CIS window BUT \$5.8 billion to complete all of the projects IN that 20 year CIS window...but SAVES ~ \$230 million over Budget Scenario
 - ▶ Requires a maximum of \$360 million in any one year
 - ▶ Results in Maximum IWTF balance of \$200 million
 - ▶ Completes 8 Construction projects, with 2 in progress...same as the Budget Scenario BUT
 - ▶ Completes 7 Major Rehabs, with 1 in progress and 1 not in 20 year CIS window



MAXIMIZED IWTF SCENARIO



Maximized IWTF Scenario Summary

- **Additional Assumptions:**
 - ▶ Unlimited General Treasury
 - ▶ IWTF receipts = \$116M/year
 - ▶ Annual appropriations greater than President's Budget
- **Highlights:**
 - ▶ \$5.2 billion for 20 year CIS window BUT ONLY \$5.7 billion to complete all of the projects IN that 20 year CIS window...and SAVES ~ \$343 million over Budget Scenario
 - ▶ Requires a maximum of \$410 million in any one year
 - ▶ Results in Maximum IWTF balance of \$50 million
 - ▶ Completes 9 Construction projects, with 1 in progress
 - ▶ Completes 8 Major Rehabs



Funding Scenario Summary

PROJECT	Budget			Annual Allocations			Maximized IWTF			Additional Cost for Annual Allocations Schedule	Additional Cost for Budget Schedule
	Start	Finish	Total Remaining Escalated Cost (\$M)	Start	Finish	Total Remaining Escalated Cost (\$M)	Start	Finish	Total Remaining Escalated Cost (\$M)		
NEW CONSTRUCTION											
Olmsted Locks & Dam	FY16	FY20	\$915.1	FY16	FY20	\$912.2	FY16	FY20	\$912.2	\$0.0	\$2.9
Locks & Dams 2, 3, and 4, Monongahela River Navigation Project	FY16	FY24	\$524.1	FY16	FY23	\$514.0	FY16	FY23	\$514.0	\$0.0	\$10.1
Kentucky Lock Addition	FY21	FY28	\$469.1	FY19	FY26	\$450.8	FY16	FY23	\$424.8	\$26.0	\$44.2
GIWW, High Island to Brazos River	FY21	FY21	\$19.2	FY16	FY16	\$17.4	FY16	FY16	\$17.4	\$0.0	\$1.8
Chickamauga Lock, TN	FY23	FY30	\$832.9	FY20	FY27	\$784.9	FY16	FY26	\$766.5	\$18.4	\$66.4
GIWW, Brazos River to Port O'Connor, Matagorda Bay	FY22	FY22	\$22.0	FY21	FY21	\$21.5	FY22	FY22	\$22.0	-\$0.4	\$0.0
LaGrange Lock & Dam, NESP	FY16	FY31	\$457.8	FY16	FY28	\$432.9	FY16	FY28	\$432.9	\$0.0	\$24.8
Mississippi Lock & Dam 25, NESP	FY20	FY34	\$737.3	FY20	FY33	\$723.7	FY20	FY32	\$711.2	\$12.5	\$26.1
Mississippi Lock & Dam 22, NESP	FY29	FY37	\$553.3	FY24	FY36	\$529.7	FY25	FY35	\$520.4	\$9.3	\$32.9
Mississippi Lock & Dam 24, NESP	FY34	FY42	\$692.6	FY31	FY39	\$655.8	FY30	FY38	\$641.6	\$14.2	\$51.0
TOTAL NEW CONSTRUCTION			\$5,223.3			\$5,042.9			\$4,963.0	\$79.9	\$260.3
MAJOR REHABILITATION											
LaGrange Lock & Dam Rehabilitation	FY21	FY22	\$68.2	FY20	FY21	\$66.9	FY17	FY18	\$63.1	\$3.9	\$5.2
Thomas O'Brien Lock & Dam Rehabilitation	FY22	FY23	\$53.3	FY20	FY21	\$51.2	FY22	FY23	\$53.3	-\$2.1	\$0.0
Mississippi Lock & Dam 18 Rehabilitation	FY32	FY37	\$289.9	FY26	FY31	\$257.4	FY23	FY28	\$242.6	\$14.8	\$47.3
Greenup Locks & Dam Rehabilitation	FY23	FY30	\$66.2	FY25	FY32	\$68.9	FY24	FY31	\$67.5	\$1.4	-\$1.3
Brandon Road Lock & Dam Rehabilitation	FY34	FY36	\$100.5	FY27	FY29	\$87.5	FY27	FY29	\$87.5	\$0.0	\$13.0
Mississippi Lock & Dam 25 Rehabilitation	FY36	FY38	\$104.5	FY33	FY35	\$98.5	FY28	FY30	\$89.2	\$9.3	\$15.3
Dresden Island Lock & Dam Rehabilitation	FY38	FY40	\$78.9	FY33	FY35	\$71.7	FY31	FY33	\$68.9	\$2.8	\$9.9
Starved Rock Lock & Dam Rehabilitation	FY23	FY24	\$34.9	FY36	FY37	\$45.2	FY32	FY33	\$41.7	\$3.4	-\$6.8
TOTAL MAJOR REHAB			\$796.4			\$747.3			\$713.8	\$33.5	\$82.6
Maximum Inland Navigation Program Funding (\$M)		\$274			\$357			\$411			
Average Inland Navigation Program Funding (\$M)		\$230			\$252			\$260			
Maximum IWTF Balance (\$M)		\$359			\$205			\$91			
Total 20 Year Program (\$M)		\$4,594			\$5,047			\$5,198			
Total Remaining Cost for All Projects in the 20-year Program (includes costs that extend beyond the 20-year timeframe) (\$M)		\$6,020			\$5,790			\$5,677			

Notes: PED costs are not included

Bold fiscal years indicate projects that have completion dates beyond the 20-year CIS

Schedule is later than Maximized IWTF scenario

Schedule is earlier than Maximized IWTF scenario



Key Activities and Dates to Meet WRRDA 2014 Requirement

- 14 May 15 - Inland Waterways Users Board meeting #75
- 21 May 15 -- Biweekly Industry Feedback call/webinar
- Now to June 5th – Iterate with ASA and OMB to finalize report
- 10 June 15 – ASA transmit report to Congress
- 10 June 15 – House T&I Committee Hearing on WRRDA 2014



Questions?

