U.S. Army Corps of Engineers
Public Private Partnerships for Civil Works projects

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USACE Infrastructure Strategy (UIS) Challenges & Opportunities

- Infrastructure Investment = Global Challenge

- USACE Civil Works Portfolio: 3,000+ Operational Projects, with Capital Stock Value of Approx $190B

- USACE Civil Works Asset Classes are Diverse
  - Flood & Coastal Storm Damage
  - Coastal and Inland Harbors
  - Inland Waterways
  - Hydropower
  - Dam & Levee Safety Programs
  - Water Storage
  - Aquatic Ecosystems
  - Water-Based Recreation

- Demands for CW Infrastructure Maintenance, Operations, and Capital Investment are Expanding
  - Civil Works New Construction Backlog → $60B
  - ASCE: Dams, Levees, IWW’s = “D” → $140B
  - Civil Works Infrastructure is Aging, Experiencing Negative Performance Trends Across Portfolio (vs $4.6B Budget….)
Why Alternative Financing?

• We’re Trying to Think Differently About Our Approach to Project Financing; Chief Personally Committed

• Two National Problems We Want to Address Through Alternative Financing
  – For Existing Infrastructure: Sustain Performance, Extend Service Life, and/or Buy Down Risk for the Nation
  – For New Infrastructure: Accelerate Delivery, Reduce Life Cycle Costs and Achieve Earlier Accrual of Project Benefits to the Nation

• Sustain National Value Proposition Associated with CW Infrastructure to Economy, Commerce, Environment, Quality of Life, and Job Creation
  – Exploit promise of P3/P4 Tool…
  – While Protecting the Tax Payer and Federal Equities
  – Critical Role of Sponsors….Include/Leverage Them
Sabine-Neches Demonstration Project

• Background
  – $1.2 billion channel deepening project in the Sabine-Neches waterway would provide $7.8B in regional benefits annually for additional 6 foot depth

• Where we are
  – Project on hold as an existing authorities demonstration project pending revised B/C analysis and stakeholder evaluation
  – Local Sponsor is not willing to finance and charge stakeholders for the federal share of the project
  – Given low/non-competitive BCR, the project would not likely be funded from federal appropriations without special Congressional action
  – Acceptance of advanced funds would eliminate OMB scoring issue

• Next steps
  – NF sponsor assessing funding options with existing users of the SNWW
  – Update of economic/cost data expected by September 2015 may spur potential investor interest
  – Economic/cost update to assess potential project cost savings
Great Lakes Demonstration Project

• Background
  – USACE spends approx $40M on dredging and dredged sediment disposal on the Great Lakes annually
  – Only a portion of the 135 harbors can be dredged due to funding constraints
  – 3 Challenges: dredging backlog, dredged material treated as a waste product and confined disposal facilities are nearing capacity

• Where we are
  – Sources sought released Jan 2015; Industry Forum held on 10 February; one-on-one discussions being conducted April-Jun
  – Ohio litigation regarding open water placement is pending
  – New legislation in Ohio = no open water placement by 2020

• Next Steps
  – Continue Stakeholder/Industry outreach + one-on-one discussions
  – Produce white paper following completion of one-on-one engagements
  – Identify path forward with the vertical USACE team, stakeholders and industry