

# Associated General Contractors Conference

Speaker: Col. Peter Rowan

Feb 2-4, 2005

(rough transcript from audio tape)

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| 1. Corps seal  |  |
| 2. Title slide: Associated General Contractors Conference, Feb 2-4   | Now I get to show you maps and tell you what I do. They were anticipating in the media today that about 1.238 million cubic feet per second was going down the river. The trigger for looking at triggering operations at the Bonnet Carre Spillway is 1.25 CFS -- so we're that close. Why are we that close? Well, to help the water up in the Ohio. They believe that this water that they released from the dams up there and kept the system (water?) from over-topping in the middle valley and help the crest down in New Orleans so that it stays below the level where we'd need to operate the Bonnet Carre. I got four salvage operations going on down in New Orleans, one on the Atchafalaya and three on the Mississippi. The high waters are tricky. Two barges hit coming at the Algiers Canal, there were two other accidents around Mile 158 and 115. We haven't had a fleet accident yet, where barges break away and start running down the river by themselves, but when the river is running it's only a matter of time. |
| 3. Photo: Hurricane slide series (4)   | We had some of our friends visit Florida. Charley, Francis, Jeanne, Ivan...  |
| 4. Photo: Hurricane<br>Title: USACE in hurricane recovery operations<br>Temporary roofs – completed 134,199<br>Temp housing units completed 608 of projected 991<br>Water – delivered 31.2m liters<br>Ice – delivered 163 m lbs<br>Generators - completed 1,403 assessments, installed 585<br>Debris removal - Removed 2.3 million cubic yards | These hurricanes visited there and that triggered Federal Emergency Management Agency response. These numbers reflect our people supporting FEMA, and that triggered more contracts. Do you think my folks were out there nailing blue tarps on the roofs? They hired contractors who worked with us on the recovery process.  |
| 5. Topic Slide:<br><b>Strategic Plan</b><br>Budget Reality<br>Studies/Projects   | Okay, I'm going to talk just a little bit about the Civil Works Strategic Plan.  |

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| Future Events  |  |
| <p>6. Title: Civil Works Strategic Plan</p> <p>Bullets:</p> <ul style="list-style-type: none"> <li>-Provide sustainable development and integrated management</li> <li>-Repair degradation and prevent future loss</li> <li>-Ensure projects perform to meet purposes</li> <li>-Reduce vulnerabilities and losses</li> <li>-Be a world-class engineering organization</li> </ul> | <p>To budget things, you have to look at the reality of the big picture. If we are indeed partners and you comprise some 90-odd percent of our construction work, then this is your strategic plan, too. We need to take this to heart.</p> <p><b>Missing something – couldn't hear it.</b></p> <p>We have to be aware of our process – not just what we're going to build but how we're going to build it. Projects that perform to meet purposes – that's the projects that have already been constructed and the ones we will construct. By the way, there are no more single-purpose projects. People are looking for more bang for their bucks. They want a flood control project to have some recreational benefits, they want a lock and dam or a navigational project that has environmental benefits. If we're asked to build a levee, we can build a great levee -- but now we have to build a levee that will accommodate or bypass or allow water to move through it so that in high stages we don't starve the marsh behind levees. All these things we'll have to think about and put in place. The new keyword in Washington is vulnerabilities, but we're not just talking about terrorism but other national threats. We're a world-class engineering organization. You heard this morning that they're looking at standards for crane operators, certification for construction folks. You are part of our world-class engineering organization. So I have to look at my training and you have to look at yours folks. This is our plan, and what we'll have to do together.</p> |
| <p>7. Topic Slide:</p> <p>Strategic Plan</p> <p><b>Budget Reality</b></p> <p>Studies/Projects</p> <p>Future Events</p>   |  |
| <p>8. Graphic: FY 2005 Program Funds</p> <ul style="list-style-type: none"> <li>\$319 million -- Regular Appropriations</li> <li>\$343 million -- Conference Allocation</li> <li>\$30 million -- Emergency Supplemental Funding (received to date)</li> <li>\$15 million -- FY 04 liabilities (paid from FY 05 funding)</li> </ul>   | <p>We're going to execute this budget. This is what the president gave us -- \$319 million in regular appropriations, \$343 million in conference allocation, and \$30 million in emergency supplemental funding. \$15 million is you underwriting my budget shortfall during FY04. We take that off the top of FY05 funds.</p>  |
| <p>9. Bar chart graphic: FY01-FY05</p>   | <p>You don't see trends as you look at one year, but you see it across the years. The one that jumps out is the CG – \$140M down to about half of it, bumped up a little in 05, but the trend is definitely</p>  |

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|   | <p>downward and it impacts construction contracts. Right now I'm using most of the Corps' study money for the Coastal Program. What does it take to get it out of their pocket? It takes an authorization by Congress to do construction of the first element which may be fairly rapid because when we talk about the program a little later, there are really some elements that start-out almost immediately.</p> |
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| <p>10. Topic Slide:<br/>Strategic Plan<br/>Budget Reality<br/><b>Studies/Projects</b><br/>Future Events</p>   | <p>Let's talk about study and project contracts. I haven't captured the dredging contracts; generally it's in the order of \$78 million a year.</p>  |
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| <p>11. Title: Mississippi River<br/>Levees<br/>Bullets:<br/>Completed FY 04 501<br/>Under Construction 0<br/>(Gap closures only)<br/>Remaining 11<br/>Total 512</p> | <p>As you can see, there was little progress made last year.</p>   |
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| <p>12. Title: MR System<br/><b>Three potential FY 05 contracts:</b><br/>Alhambra to Hohen-Solms<br/>West Bank Gaps<br/>Hohen-Solms to Modeste</p>                   | <p>Right now we're looking at three potential contracts. Generally, within the MR&amp;T in the New Orleans District, we're filling gaps and doing lifts.</p>   |
| <p>13. Title: Atchafalaya Basin<br/>Levees<br/>Completed FY04 395<br/>Under Construction 8<br/>Scheduled for FY05 11<br/>Remaining 35<br/>Total 449</p>             | <p>Here, there are eight miles under construction and eleven scheduled.</p>  |
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| <p>14. Graphic: Wax Lake<br/>Title: Atchafalaya Basin<br/>Completed Contracts</p>   | <p>These are the projects in and around the Wax Lake Outlet in 04. A lot of recreation features and additional levee lifts in the Atchafalaya.</p>   |
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| <p>15. Graphic: Atch Basin<br/>Title: Atchafalaya Basin - FY<br/>05 Contracts</p>   | <p>These are the contracts that are ongoing or scheduled for this year.</p>  |
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| <p>16. Title: Lake Pontchartrain<br/>&amp; Vicinity<br/>Hurricane Protection Project<br/><b>Three ongoing contracts:</b></p>  | <p>Lake Pontchartrain -- three ongoing contracts, the primary one you know about is the Hammond Highway bridge. Eventually take all the bridges in New Orleans, and they have to get raised and flood</p>  |

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| <p>-Hammond Highway Bridge<br/>         -Illinois Central Railroad floodgate<br/>         -Jefferson Parish Reach 4 levee enlargement<br/> <b>Two potential FY 05 contracts :</b><br/>         -Jefferson Parish Reach 1 levee enlargement<br/>         -St. Charles Parish Gulf South Pipeline closure</p>  | <p>proofed so they can continue to be used for evacuation routes even when the lake's up. Not a lot of contracts available in Lake Ponchartraine as funding levels go down. We're trying to get the Gulf South pipeline gap and the one at the airfield completed so they won't have to sandbag Airline Highway and it'll open up another major evacuation route out of the city.<br/>         As you see, there are a few ongoing contracts. West Bank potential awards; right now, there's only one listed in the pamphlet. We're trying to decide how much we can do on the West Bank because if you go to the next slide....</p> |
| <p>17. Title: West Bank &amp; Vicinity Hurricane Protection Project<br/>         Bullets:<br/> <b>One completed contract</b><br/>         -Algiers Canal levee enlargement<br/> <b>Six active contracts</b><br/>         -Cousins Pump Station expansion<br/>         -Cousins discharge channel and culvert<br/>         -Westwego to Harvey Canal Reach 3 structures<br/>         -- Ames and Mt. Kennedy floodwall<br/>         -- Mt. Kennedy Pumping Station improvement<br/>         -- Oak Cove levee closure<br/>         -Harvey Canal Sector Gate Complex<br/>         -Lake Cataouatche Pumping Station to Bayou Segnette State Park, levee enlargement<br/>         - Plaquemines Pump Station to Belle Chasse Hwy, levee enlargement, east of Algiers Canal</p> | <p>The big deal on the West Bank is the Harvey Canal Sector Gate. If we can close it, it'll close out one of the major vulnerabilities to hurricane surge coming up through the marshes to the backside of the West Bank. The gate is the biggest single step toward achieving a closed system of hurricane protection.</p>  |
| <p>18. Title: West Bank &amp; Vicinity Hurricane Protection Project<br/>         Bullets:<br/> <b>Two scheduled contracts</b><br/>         -Belle Chasse Hwy to Algiers Lock, east of Algiers Canal<br/>         -Plaquemines Pump Station to Belle Chasse Hwy, east of</p>  |  |

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| <p>Algiers Canal<br/> <b>Three potential FY 05 contracts</b><br/> - Belle Chasse Hwy to Hero Cutoff (West), Reach 2<br/> - Harvey Canal floodwall (east), from Boomtown Casino to Hero Pumping Station<br/> - Belle Chasse Hwy to Hero Cutoff, Reach 1, west of Algiers Canal</p>  |   |
| <p>19. Title: New Orleans to Venice Hurricane Protection Project<br/> Bullets: <b>One completed contract in FY 04</b><br/> - Levee enlargement, 2<sup>nd</sup> lift, Fort Jackson to Venice<br/> <b>One scheduled contract</b><br/> - Ramp enlargement at Highway 23</p>   | <p>New Orleans to Venice. Again, hurricane protection under the West Bank project was funded below their capabilities for the last few years. With the funding we've been getting, we're trying to get the critical projects done.</p>  |
| <p>20. Title: Mississippi Delta Region Davis Pond<br/> Bullets: <b>Two ongoing contracts</b><br/> - East guide levee, 2<sup>nd</sup> lift<br/> - Gabion Repairs<br/> <b>One scheduled contract</b><br/> - West guide levee, 2<sup>nd</sup> lift</p>  | <p>This is Davis Pond, where we continue to work on the guide levees. This is one of those projects that when you put it in place and see how it works, then you have to stick with it and make sure it's working the right way. Have to tweak it a little bit, back and forth.</p> |
| <p>21. Title: Southeast Louisiana (SELA) Urban Flood Damage Reduction<br/> <b>34 completed contracts</b><br/> - 29 in Jefferson Parish<br/> - 5 in Orleans Parish<br/> <b>7 ongoing contracts</b><br/> - Jefferson Parish<br/> -- canal improvement,<br/> -- pump station enlargement<br/> -- new pump station<br/> - Orleans Parish<br/> -- 2 new pump stations<br/> -- discharge channel<br/> -- new covered canal</p> | <p>SELA takes the biggest hits. We have completed most of the ongoing contracts, or they will be completed this year. In many cases we are waiting for funding. This is the most we've seen done in a long time.</p>  |
| <p>22. Title: SELA UFDR</p>  | <p>We have 15 sets of plans still on the shelf. What you don't see</p>  |

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| <p>Bullets: <b>No scheduled contracts</b><br/> <b>15 potential FY 05 contracts</b><br/> -14 in Jefferson Parish<br/> -- Canal improvements<br/> -- Canal crossings<br/> -- Equipment purchases<br/> 1 in Orleans Parish<br/> - Dwyer Road Intake Culvert</p>  | <p>with SELA, is a big storm event that gets everyone's attention and they drive out to the lakefront and take pictures of the waves breaking over the breakwater. If you get a major rainstorm in the city of NO with inferior drainage, you're going to flood people's houses. You use this project every day, and you're going to have to use it because serious rain is associated with tropical storms and you're going to have to pump it out. But, we won't be awarding any new contracts this year.</p> |
| <p>23. Title: O &amp; M<br/> <b>Seven ongoing projects</b><br/> -Port Allen Lock/Stoplogs rehabilitation<br/> - Algiers hurricane protection (levee &amp; rock)<br/> - Carrollton Bend rock stability berm<br/> - Old River Lock (3)<br/> -- Fabricate miter gates<br/> -- Fracture critical welds<br/> -- Modify stoplog machinery<br/> - Mississippi River levees surfacing<br/> <b>Three scheduled contracts</b><br/> - New Schooner Bayou control house<br/> - Catfish Point Control Structure guidewalls<br/> - Algiers hurricane protection, 2nd contract</p> | <p>In Operations and Maintenance, we still have ongoing work in areas other than dredging. It looks like it's going to be a high river year with all the dredging, though that's always subject to change based on the availability of O&amp;M funds. We have to keep the river open -- we're looking at moving with about a half-a-billion tons of cargo each year at the ports of New Orleans and Baton Rouge.</p>  |
| <p>24. Topic Slide:<br/> Strategic Plan<br/> Budget Reality<br/> Studies/Projects<br/> <b>Future Events</b></p>   |   |
| <p>25. Title: Future Events<br/> Bullets:<br/> - Louisiana Coastal Area<br/> - Water Resource Development Act<br/> - Partnering Conference</p>  | <p>Here are some events that are coming up.</p>   |
| <p>26. Louisiana Coastal Area (LCA)<br/> Bullets:<br/> -5 near-term critical restoration features; conditional</p>  | <p>LCA. The chief signs the report on Monday. He recommended these features. Now construction contractors, where do they play into this? Five-year term projects, those were selected as near-term projects because, one, they met a critical need of the system and</p>  |

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| <p>authorization<br/> -10 near-term critical restoration features;<br/> congressional authorization<br/> -Science and Technology (S&amp;T) Program<br/> -S&amp;T demonstration projects<br/> -Beneficial use of dredged material<br/> -Investigations of modifications to existing structures<br/> -5 large-scale long-term studies</p>                    | <p>two, because they had previous work done so they could go from feasibility stage into construction rapidly. Hope Canal has a CWPRA study that's already underway. Bayou Lafourche has a CWPRA study; the MRGO has had studies done on it already. The barrier shoreline near Port Fourchon has work already ongoing. The last one is the Myrtle Grove Diversion and that's been studied for a long time, though not quite as advanced as the other ones. Those can rapidly transition into construction contracts with the approval of the Secretary of the Army. Science and technology may not have any direct impact, but projects coming out of the Science and Technology Program we'll want to test and they'll go rapidly into an execution phase. Then there's the use of dredged materials. Doing what we do already to use the materials beneficially adds money into the pot so we're not taking our whole O&amp;M budget down to do environmental restoration. Lots of interest in existing structures; how do we operate Davis Pond, Caenarvon, Old River or any of the other facilities for an additional purpose of coastal restoration? And finally, the long-term study which will look at the overall idea. When you have to modify an entire ecosystem, you have to look at some of those things that will take a lot longer while we're doing additional work.</p> |
| <p>26. Title: Water Resource Development Act (WRDA)<br/> Bullets:<br/> -Morganza to the Gulf – construction authorization<br/> -Bayou Sorrel Lock – construction authorization<br/> -Louisiana Coastal Area – contingent authorization<br/> -Port of Iberia – contingent authorization<br/> -Atchafalaya Basin Floodway – modify public access feature</p> | <p>These projects are pending WRDA authorization. With Morganza to the Gulf – the chief's report was signed in August 02, but it still has not been authorized. Bayou Sorrel Lock, that chief's report was signed about a month ago – it is putting a new lock at the alternate GIWW route between Port Allen and Morgan City. That's about a \$90 million project. Louisiana Coastal Area, \$1.9 billion. Port of Iberia looking at deepening to allow construction of offshore oil rigs; and then finally, make public access for recreation features in the Atchafalaya. Those things total on the order of about \$3 billion of work in Louisiana.</p>  |
| <p>27. Title: Partnering Conference<br/> Bullets:<br/> <b>March 2003</b><br/> --Initial meeting and identification of issues and work groups<br/> <b>March 2004</b><br/> --Preliminary report from work groups<br/> <b>March 30-31, 2005</b></p>   | <p>The Partnering Conference on 31 March. This is now the third District-specific partnering conference. We bring together the environmental groups, the ports, the cities, some of the other local sponsors, the levee boards, the state agencies – and people from all areas, and we talk about processes and the different ways of improving it. It started with a series of workshops and then looked at improving the processes further through an effort with the people who have to walk through the process with us.</p>  |

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| --Series of workshops<br>--Improvements based on<br>sponsor input |  |  |
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