

U.S. Army Corps of Engineers Navigation Program Update

*For American Association of Port
Authorities Harbors and
Navigation Meeting*

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US Army Corps of Engineers
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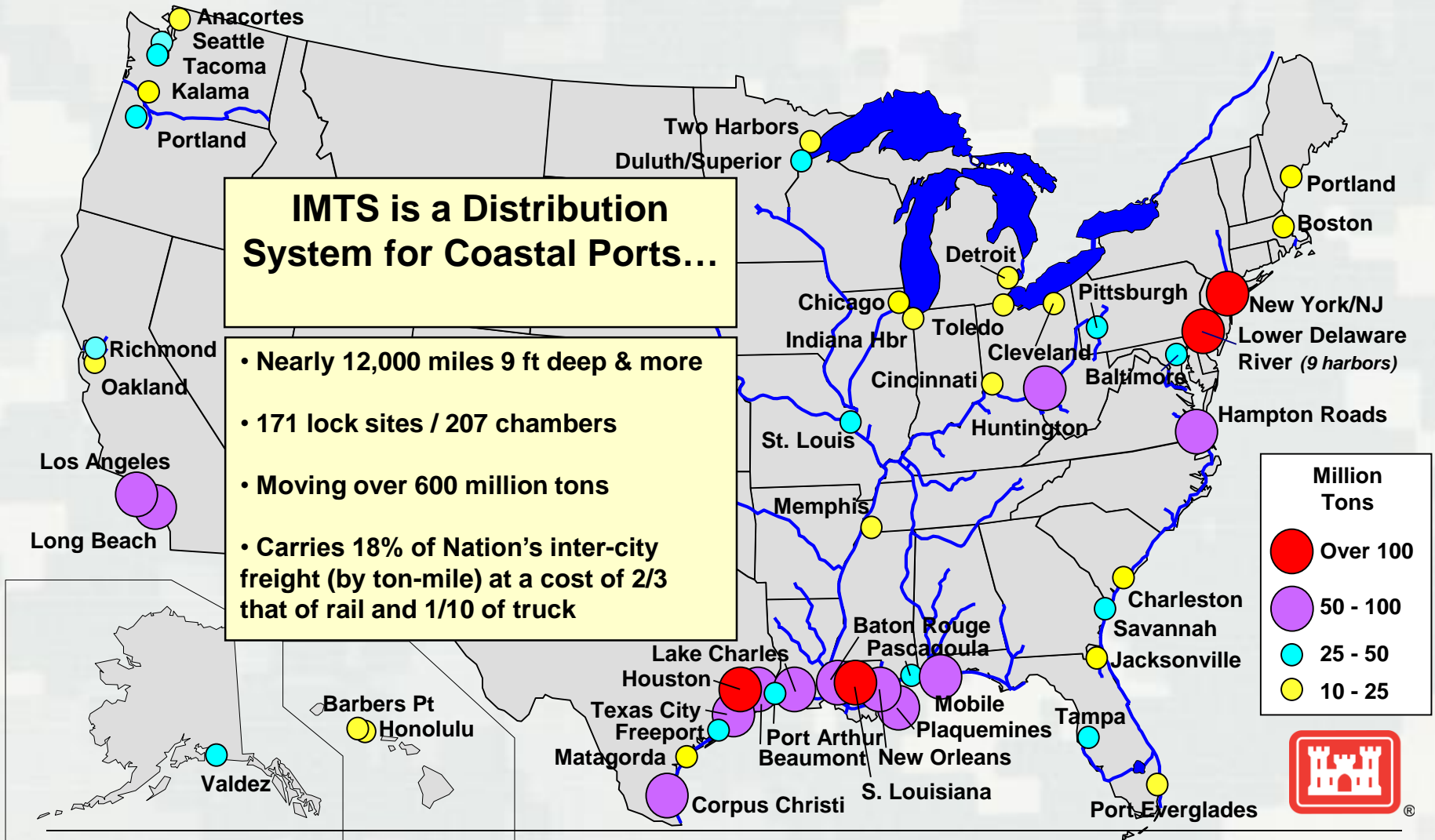
Corps Navigation Mission

Provide safe, reliable, efficient, effective and environmentally sustainable waterborne transportation systems for movement of commerce, national security needs, and recreation.



The United States Is A Maritime Nation

Inland Marine Transportation System + Ports Vital to U.S. Trade and National Economy



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USACE Navigation Assets

COASTAL NAVIGATION

1,067 Navigation projects
19 Lock chambers
13,000 Miles of channels
929 Navigation structures
844 Bridges

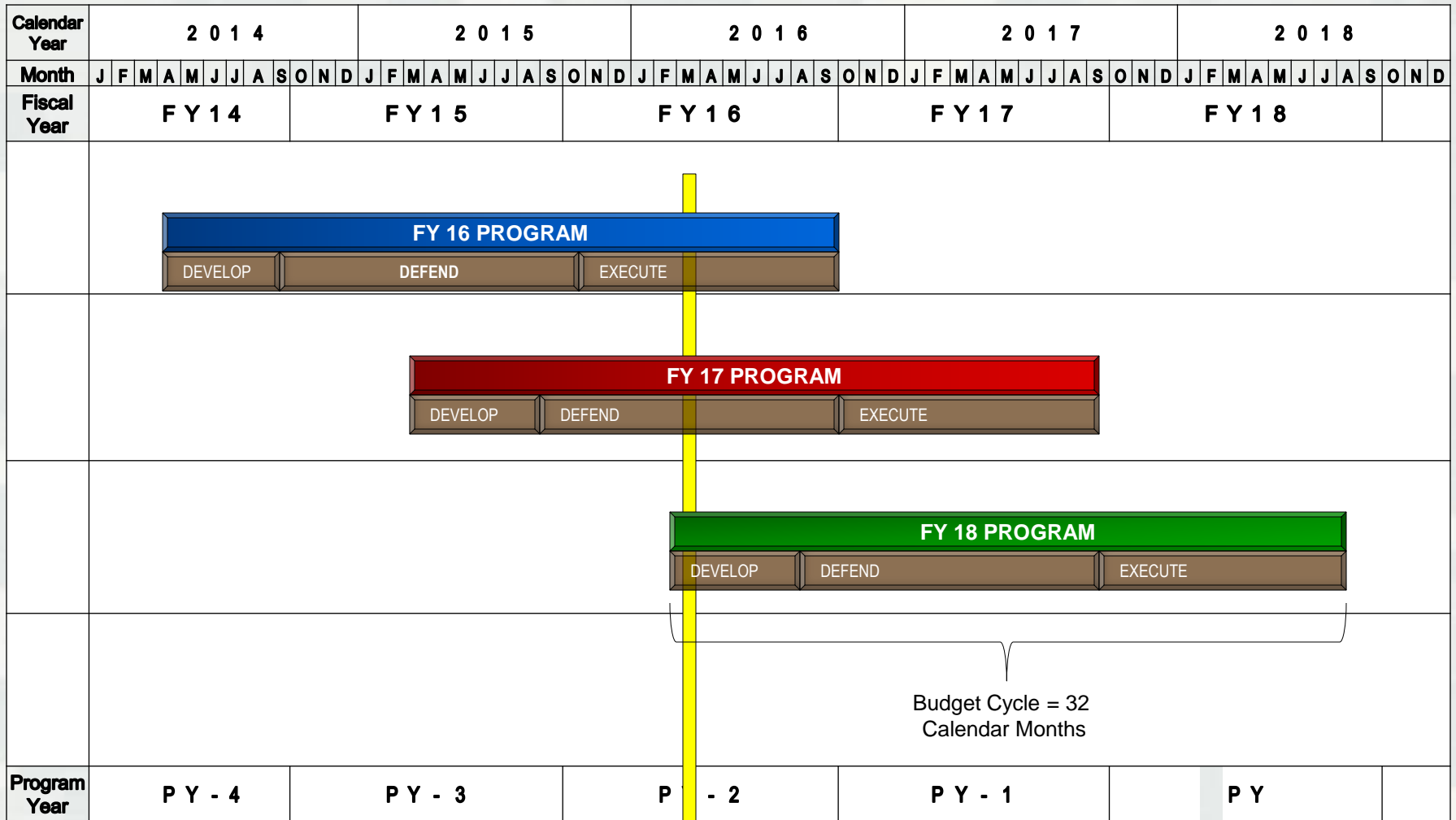


INLAND NAVIGATION

27 Inland River Systems
207 Lock chambers @ 171 lock sites
12,000 Miles of inland river channels



CW Program/Budget Timeline



PY = CFY + 2

NOW



National Priorities for Budgeting

- A. Provide for National Defense
- B. Reduce the Deficit
- C. Create Jobs and Restore the Economy
- D. Improve Resiliency and Safety of Communities and Infrastructure
- E. Restore and Protect the Environment
- F. Maintain Global Competitiveness
- G. Increase Energy Independence and Renewable Energy
- H. Improve Quality of Life
- I. Support Research and Innovation that leads to American Jobs and Industries

Navigation has a key role in all of these!



FY 17 Budget

- Budget is performance based.
- Focuses on highest performing projects and programs with high economic (BCR \geq 2.5 @ 7%), environmental, and public safety returns to the nation.
- Emphasizes operation and maintenance of infrastructure to address critical needs and provide a reliable and resilient system.
- Provides a fiscally prudent investment in Nation's water resources infrastructure making tough decisions to put the nation on a fiscally prudent path.
- Navigation focuses high risk to mission on high commercial use coastal harbors and channels with > 10 million tons of commerce; and inland and intracoastal waterways with > 3 billion ton-miles of commerce.
- 10 % of HMTF to emerging harbors and Great Lakes.



President's Budgets

(\$millions)

Pres Bud	Coastal	Inland	Nav	CW total	Nav Percent
FY 17	\$1,017	\$917	\$1,934	\$4,620	42%
FY 16	\$973	\$974	\$1,947	\$4,732	41%
FY 15	\$991	\$834	\$1,825	\$4,561	40%
FY 14	\$980	\$904	\$1,884	\$4,826	39%
FY 13	\$967	\$780	\$1,747	\$4,731	37%
FY 12	\$832	\$744	\$1,575	\$4,631	34%
FY 11	\$873	\$779	\$1,652	\$4,939	33%
FY 10	\$971	\$796	\$1,767	\$5,125	35%
FY 09	\$969	\$931	\$1,900	\$4741	40%



Navigation Budget by Account

(\$millions)

Pres Bud Fiscal Yr	Investigations	Construction	O&M	MR&T	Total Nav
FY 17	\$22	\$348	\$1,527	\$37	\$1,934
FY 16	\$25	\$321	\$1,563	\$38	\$1,947
FY 15	\$22	\$277	\$1,487	\$39	\$1,825
FY 14	\$23	\$345	\$1,461	\$55	\$1,884
FY 13	\$25	\$352	\$1,326	\$44	\$1,747
FY 12	\$18	\$283	\$1,237	\$37	\$1,575
FY 11	\$19	\$291	\$1,297	\$45	\$1,653
FY 10	\$19	\$288	\$1,411	\$48	\$1,767
FY 09	\$20	\$495	\$1,346	\$39	\$1,900



Coastal Navigation Budget

(\$million)

Pres Bud	Investigations	Construction	O&M	MR&T	Total Coastal
FY 17	\$14	\$105	\$896	\$2	\$1,017
FY 16	\$18	\$81	\$872	\$2	\$973
FY 15	\$17	\$97	\$875	\$2	\$991
FY 14	\$16	\$108	\$853	\$2	\$980
FY13	\$17	\$151	\$797	\$2	\$967
FY12	\$7	\$117	\$706	\$2	\$832
FY11	\$9	\$115	\$747	\$2	\$873
FY10	\$16	\$119	\$834	\$2	\$971



Inland Navigation Budget

(\$million)

Pres Bud	Investigations	Construction	O&M	MR&T	Total Inland
FY 17	\$8	\$243	\$631	\$34	\$917
FY 16	\$7	\$240	\$691	\$36	\$974
FY 15	\$5	\$180	\$612	\$37	\$834
FY 14	\$7	\$237	\$608	\$53	\$904
FY13	\$8	\$201	\$529	\$42	\$780
FY12	\$11	\$166	\$531	\$35	\$743
FY11	\$10	\$176	\$550	\$43	\$779
FY10	\$3	\$170	\$577	\$47	\$796



Additional FY 16 Funds for Navigation in Division D – E&WD, Omnibus Appropriations Act, 2016 (\$millions)

■ Investigations	\$ 11.3
■ Navigation	\$ 1.3
■ Coastal and Deep Draft	\$ 5.0
■ Inland	\$ 5.0
■ Small, Remote, or Subsidence	\$ 0.0
■ Construction	\$273.2
■ Navigation	\$211.2
■ Inland Waterways Trust Fund	\$ 55.0
■ Navigation Program (Section 107)	\$ 7.0
■ MR&T O&M Dredging	\$ 8.1



Additional FY 16 Funds for Navigation in Division D – E&WD, Omnibus Appropriations Act, 2016 (\$millions)

- **O&M** **\$391.53**
 - Navigation \$ 23.53
 - Deep Draft Harbor & Channel \$250.0
 - Inland Waterways \$ 45.0
 - Small, Remote, or Subsidence \$ 48.0
 - Donor & Energy Transfer Ports \$ 25.0

- **Total Additional Navigation Funding ~\$684**

<http://www.usace.army.mil/Missions/CivilWorks/Budget.aspx>



Navigation Challenges

- Constrained funding - can't maintain authorized/constructed channel dimensions and critical infrastructure
- Funding for low commercial use projects
- Increased cost of doing business
- Aging infrastructure
- Behind in channel depths
- Environmental Issues
 - ▶ Air and water quality requirements
 - ▶ Threatened, endangered, and invasive species
 - ▶ Dredging windows



Alternative Financing

- The primary reason to pursue P3s is to achieve long-term efficiency gains in the delivery of infrastructure services, including potential significant cost savings
- Two National Objectives for P3
 - ▶ For Existing Infrastructure, Sustain Performance, Extend Service Life, and/or Buy Down Risk for the Nation
 - ▶ New Infrastructure: Accelerate Delivery to Achieve Earlier Accrual of Project Benefits and Reduce Life Cycle Project Costs

Benefits of P3s

- Faster delivery of infrastructure
- Efficiency gains from innovation; Life-cycle cost savings
- Incentive-driven management results in better service provision
- Single source of accountability



Stakeholders and Partnering

- Leverage Efforts
- Understand and communicate Civil Works Value to Nation
- Find consensus on Major Initiatives
 - Identify Funding to Reach Outcomes
 - Engage in Dialogue
- Be mutually supportive
- Shared Messages
- Involve & Engage End-Users
- Seek to Influence Decision-Makers



Navigation Message

- Navigation funding is essential for the Nation's global trade and maintaining competitiveness
- America's Marine Transportation System infrastructure must become a National priority in order to get adequate funding
- Need national commitment to shipping, global trade and navigation infrastructure
- Navigation funding is key to Economy, Jobs, and Exports!



QUESTIONS?

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