Corps Hopper Dredge Minimum Fleet - Determining an AAPA Position

Harbors and Navigation Committee
September 27, 2018
Corps Hopper Dredge Minimum Fleet

• WRDA 1978 established the transition to private sector hopper dredges
• Corps has 4 hopper dredges
  • Wheeler, 1983
  • McFarland, 1966
  • Essayons, 1982
  • Yaquina, 1983
• Replacement at some point – is that point approaching soon?
Timeline

- **2006 AAPA Resolution**
  - AAPA supports Minimum Fleet, maximum competition and no additional Ready Reserve restrictions

- **WRDA 2007**
  - WRDA 2007: McFarland Ready Reserve, 70 dredge days on Del River; Essayons and Yaquina training day restrictions lifted

- **2010 Deepwater Horizon**
  - Essayons and Yaquina repowerings and accounting issues
  - McFarland replace? Too soon to tell

- **2011 MS River flooding**
  - Min Fleet: 4 hopper dredges; At same District locations; Focus on Nav Channel maint

- **2012 Post Superstorm Sandy**
  - 'One Fleet’; NAP report on McFarland replacement cost savings; Schedule replacements

- **2015, 2016 MS River flooding**
  - 2011 Min Fleet Capital Invest Report
  - 2017 Assumptions and Analysis document
  - 2018 Hopper Dredge Recapitalization Analysis

Providing for ‘surge’ capacity
Corps Hopper Dredge Wheeler

Daily Rate: $151,984 (2017)
70 Training days per year per
WRDA 1996

Placed in service 1983
Class: Large Hopper, 8200 cy
Initial Const Cost: $102M
Service Life: 50 years
Repowered: 2013
Estimated replacement: 2033
Based in New Orleans

2007-2016: 17 activations for 573 days
Corps Hopper Dredge McFarland

Daily Rate: $130,587 (2017)
70 dredging days per year per
WRDA 2007

Placed in service 1966
Class: Medium Hopper, 3140 cy
Initial Const Cost: $23.4M
Service Life: 50 years
Estimated replacement: 2016
Based in Philadelphia

2010-2016: 7 activations for 249 days
Corps Hopper Dredge Essayons

Daily Rate: $164,353 (2017)
Unrestricted dredging days per year per WRDA 2007

Placed in service 1982
Class: Large Hopper, 6423 cy
Initial Const Cost: $146.8M
Service Life: 50 years
Repowered 2009
Estimated replacement: 2032
Based in Portland
Corps Hopper Dredge Yaquina

Daily Rate: $97,195 (2017)
Unrestricted dredging days per year per WRDA 2007

Placed in service 1983
Class: Small Hopper, 1050 cy
Initial Const Cost: $37.6M
Service Life: 50 years
Repowered 2009
Estimated replacement: 2033
Based in Portland
Ready Reserve Dredge Funding

• Training Days – paid using the navigation project’s O&M funds
  • Known revenue, 70 days at dredge daily rate
• Activation Days – paid using the navigation project’s O&M funds
  • Unknown revenue, ___ days at the dredge daily rate
• Ready Reserve Remaining Item funded by Congress to address ownership and operating expenses while in non-dredging mode
  • McFarland $11.69 million (FY 2018 and 2019)
  • Wheeler $15.0 million (FY 2018 and 2019)
Congressional Perspectives

• Senate WRDA 2018 Section, Authorization of Appropriations for Purchase of Hopper Dredge (offered but later struck)
  • (a) In General.-There is authorized to be appropriated to the Secretary $150,000,000 for the purchase of a hopper dredge.
  • (b) Use Of Hopper Dredge.-A hopper dredge purchased with funds under subsection (a) shall be used primarily in areas that have been consistently damaged by extreme weather events.

• Energy and Water Appropriations for FY 2019
  • SEC. 109. For fiscal year 2019, none of the funds provided in this Act or available in the revolving fund established by the Civil Functions Appropriations Act of 1954 (33 U.S.C. 576(a)) may be obligated or expended on a new hopper dredge.
Congress Seeks Additional Information

• ASSUMING the McFarland is to be replaced, there are design and location questions.

• New dredge for Ready Reserve in Philadelphia?

• New dredge for MS River and move Wheeler to Philadelphia?

• New dredge for West Coast unrestricted work and place Essayons in Philadelphia?

• Corps says new dredge would have lower ownership and operating expenses than the McFarland. Corps to provide report.

• What makes the most sense?

• What are AAPA’s views?
H&N Recommendations for AAPA policy

No current AAPA policy/direction for staff advocacy. Policy needed. What are the H&N Committee views on:

- 4 Corps hopper dredges?
- The current locations – New Orleans, Philadelphia and Portland?
- Where the new dredge should be stationed?
- Size of dredge – Large, Medium or Small?
- Daily Dredge Rate concerns?
- Other aspects of the Ready Reserve program? National fleet?
H&N Comments