Harbor Maintenance Trust Fund

AAPA Harbors and Navigation Meeting
Washington, DC

Jeff McKee
Navigation Branch
HQ, USACE

August 27, 2012
Corps Navigation Mission

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

INLAND NAVIGATION
27 Inland River Systems
207 lock chambers @ 171 lock sites
12,000 miles of inland river channels

COASTAL NAVIGATION
1067 Navigation Projects
19 lock chambers
13,000 miles of channels
929 navigation structures
844 bridges
Current Infrastructure Situation

- Channels and harbors are not maintained to authorized dimensions.
- Much of our economic and physical security and quality of life depends on infrastructure that is wearing out faster than it is being replaced or rehabilitated.
- Decreasing reliability of locks and other navigation infrastructure impedes transportation of goods.
- A direct relationship exists between increasing age and increasing needs for maintenance, rehabilitation, replacement and repurposing.
- 21st Century needs are different or greater than those of the last century.
Coastal Navigation Channel Performance

- High Use Projects, >10M tons/year
- Goal: Half channel width, 95% of time
- Actual: 35% of time

Analogy to building a 2-lane road; Present funding allows one lane, one-third of the year
## President’s Budgets

($millions)

<table>
<thead>
<tr>
<th>Pres Bud</th>
<th>Coastal</th>
<th>Inland</th>
<th>Nav</th>
<th>CW total</th>
<th>Nav Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY13</td>
<td>$967</td>
<td>$780</td>
<td>$1,747</td>
<td>$4,731</td>
<td>37</td>
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<tr>
<td>FY12</td>
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<td>$1,575</td>
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<tr>
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<td>$931</td>
<td>$1,900</td>
<td>$4741</td>
<td>40</td>
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<tr>
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<td>$1052</td>
<td>$2,009</td>
<td>$4,900</td>
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</tbody>
</table>
## Navigation Budget by Appropriation ($millions)

<table>
<thead>
<tr>
<th>Pres Bud Fiscal Year</th>
<th>Investigations</th>
<th>Construction</th>
<th>O&amp;M</th>
<th>MR&amp;T</th>
<th>Total Nav</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 13</td>
<td>$25</td>
<td>$352</td>
<td>$1,326</td>
<td>$44</td>
<td>$1,747</td>
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<tr>
<td>FY 12</td>
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<td>$283</td>
<td>$1,237</td>
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<td>$1,575</td>
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<tr>
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<tr>
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<td>$1,900</td>
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<tr>
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<td>$572</td>
<td>$1,383</td>
<td>$35</td>
<td>$2,009</td>
</tr>
</tbody>
</table>
## FY 13 Navigation by Account ($millions)

<table>
<thead>
<tr>
<th>Account</th>
<th>Investigations</th>
<th>Construction</th>
<th>O&amp;M</th>
<th>MR&amp;T</th>
<th>Total Nav</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pres Bud</td>
<td>$25</td>
<td>$352</td>
<td>$1,326</td>
<td>$44</td>
<td>$1,747</td>
</tr>
<tr>
<td>House</td>
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<td>$47</td>
<td>$1,872</td>
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Navigation Funding Needs

- Estimated $1.5 B needed over 5 years to restore authorized dimensions for high and moderate commercial use coastal channels and harbors
- Additional $500 M needed for low commercial use projects
- Estimated $1.2 B needed after that to maintain authorized dimensions for high and moderate commercial use coastal channels and harbors
- Additional $300 M needed for low commercial use projects
Harbor Maintenance Trust Fund

- Established in WRDA 1986
- Ad valorem tax of .125% on cargo value
- HM Tax collected on imports and domestic cargo
- Reimburses Treasury for 100% of harbor O&M since 1990, and DMPFs, Beneficial Use, Sand Mitigation
- Also supports St. Lawrence Seaway operations, Customs data collection

Revenue:
- FY 11 Revenues $1.6 B
- FY 11 Reimbursements $827 M
- Increasing balance - $6.2 billion at end FY 11
Moving Ahead for Progress in the 21st Century (MAP 21)

- Enacted July 6, 2012
- Section 1536 - Sense of Congress on HMTF:
  - Administration should request full use of HMTF
  - HMTF should be fully expended
  - Congress should ensure that other programs, projects, and activities of the Corps Civil Works Program are not adversely impacted
- Requires increase in E&WDA Act or redistribution between Federal agencies
- Not binding on Congress or Administration
Outlook

- How should Congress address the critical need for additional port and inland waterway modernization?
  - Asking the question indicates a willingness to consider alternative approaches to the project by project historical method.

- White House Navigation Task Force and National Exports Initiative

- Possible National Freight Policy?
  - Coastal and Inland navigation
  - Intermodal considerations
  - Urgency of resolving the Harbor Maintenance and Inland Waterways Trust Funds issues
Summary

- Navigation funding is an essential component for the Nation’s Global trade
- HMTF needed for future channel maintenance
- 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!