

# AAPA Harbors & Navigation Meeting

**Jeff McKee**  
Navigation Branch  
HQ, U.S. Army Corps of Engineers

**25 Jul 2011**



®

US Army Corps of Engineers  
**BUILDING STRONG**®



# Corps Navigation Mission

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



# Administration Objectives

- Double exports in 5 years
- Improve the environment
- Reduce Green House Gas (GHG) emissions
- Reduce fossil fuel consumption
- Navigation has a key role in all of these!



# Where should we be?

- Supporting the President's initiative to double exports over the next 5 years
- Preparing for new Panama Canal locks
- Postured for Environmental Improvement
  - Beneficial Uses of Dredged Material
  - Regional Sediment Management
- Investing in ports to maintain the US first tier trading status



# Desired End State: Reliable and Resilient Marine Transportation System

- Achieved through:
  - Optimizing existing constrained resources
  - Making the compelling case for additional investments
    - Capital Investments for channel deepening, lock replacements and major rehabilitations
    - O&M for reliable maintenance; and preventative maintenance where justified



# Coastal MTS

- Value of all foreign trade represents nearly 30% of nation's GDP
- Overseas waterborne trade
  - 95% of overseas trade by volume
  - 75% of overseas trade by value
  - 16 million jobs
- About \$2.3 trillion in economic activity
- Many coastal ports nearing capacity
- Cargo volumes in 2000 projected to double by 2020
- Already a generation behind in channel design – but West Coast in better shape
- Capacity constraints increase transportation costs, pollution, congestion
- Increased dredged material placement presents both a problem and opportunity



# 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

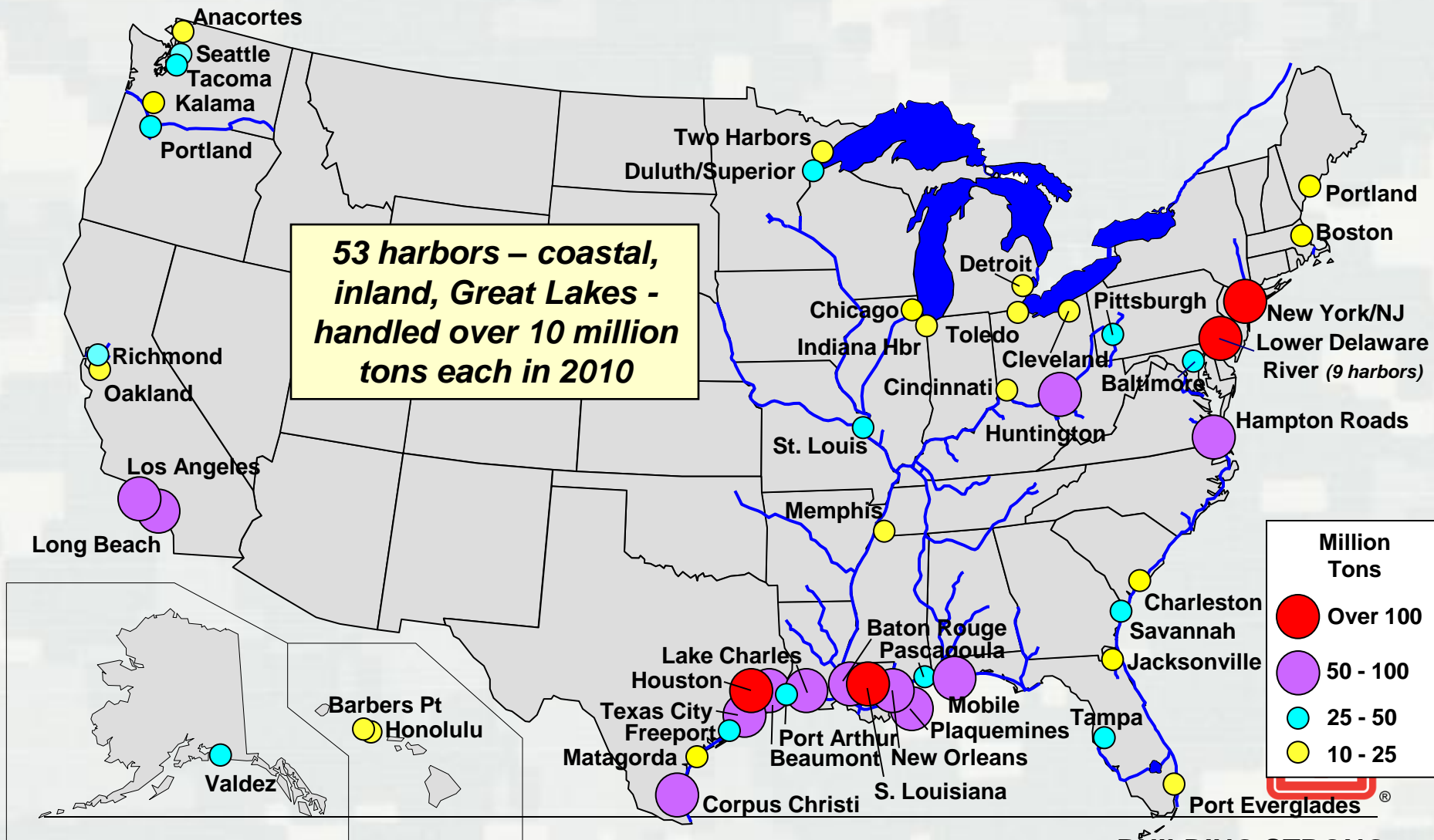
13,000 miles of channels

929 navigation structures

844 bridges



# U.S. Ports: Vital to Trade and Our National Economy





# Navigation Funding – Pres Bud

(\$million)

Pres Bud	Coastal	Inland	Nav	CW total	Nav Percent
<b>FY 12</b>	<b>\$832</b>	<b>\$743</b>	<b>\$1575</b>	<b>\$4631</b>	<b>34</b>
<b>FY 11</b>	<b>\$878</b>	<b>\$780</b>	<b>\$1658</b>	<b>\$4939</b>	<b>34</b>
<b>FY 10</b>	<b>\$971</b>	<b>\$796</b>	<b>\$1767</b>	<b>\$5125</b>	<b>35</b>
<b>FY 09</b>	<b>\$969</b>	<b>\$931</b>	<b>\$1900</b>	<b>\$4741</b>	<b>40</b>
<b>FY 08</b>	<b>\$957</b>	<b>\$1052</b>	<b>\$2009</b>	<b>\$4871</b>	<b>41</b>

Trend is declining funds

Navigation down 22% since FY 08.

Reductions masked by ARRA funding in FY09 and FY10

Flood Risk Management increasing due to Dam Safety

Environmental Restoration increasing



# FY 2012 Navigation Funding Accounts

	<b>Navigation</b>	<b>Civil Works</b>
Investigations	\$ 18 M	\$ 104 M
Construction	\$ 283 M	\$1,480 M
Operations & Maintenance	\$1,237 M	\$2,314 M
Miss River & Tributaries	\$ 37 M	\$ 210 M
Other	\$ 0 M	\$ 523 M
<b>TOTAL:</b>	<b>\$1,575 M</b>	<b>\$4,631 M</b>



# Major Cost Issues

- Dredging, Construction, and O&M Costs Increasing – fuel, steel, labor
- Dredged Material Placement Capacity Decreasing – Costs Increasing
- Environmental ‘Windows’: Increasing restrictions on when dredging can be performed
- Asset Management and Risk Informed decision making used to prioritize constrained funding



# Opportunities

- Investigations
  - USACE Planning Reset
  - National Pilot Program
  - Section 203, WRDA 1986
- Construction
  - Advance Funds
  - Section 204, WRDA 1986
- Operation & Maintenance
  - HMTF Legislation – H.R. 104 RAMP Act, S. 412 Harbor Maintenance Act of 2011
  - Non-Federal Sponsor Contributed Funds



# Summary

- Navigation funding is an essential component for the Nation's Global trade
  - HMTF needed for future channel maintenance
  - IWTF needed for future recapitalization of inland navigation locks and dams
- America's Marine Transportation System infrastructure must become a National priority in order to get adequate funding
- Need senior Administration discussion on national commitment to shipping, global trade and navigation infrastructure

