



AAPA
SEATTLE

100TH

Convention

SEPT. 11~15, 2011

The Increasing Challenge of Keeping the Nation's Waterways Reliable

***100th Annual AAPA Conference
September 11-15, 2011
Seattle, Washington***

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Southwestern Division
U.S. Army Corps of Engineers**

13 September 2011



USACE Civil Works: Value to Our Nation

**Recreation areas:
370 M Visitors/yr
Generate \$18B in
economic activity,
500,000 jobs**

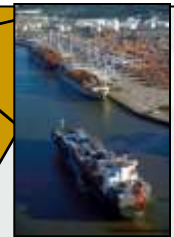


**¼ of Nation's
Hydropower:
\$800M + in
power sales**



**12,000 miles of
Commercial Inland
Waterways transport
goods at
½ the cost of rail or
1/10 the cost of trucks**

**Maintenance of
~200 Shallow &
Deep Draft
Harbors**



**Water-based Recreation
54,879 Miles Of Shoreline
at USACE Lakes**



**692 Dams and 11,750
Miles of Levees: avg
annual flood losses
prevented = \$25.5B
over past 10 years**



**Stewardship of
11.7 Million Acres
Public Lands**



**137 Major Environmental
Restoration Projects**



**US Ports & Waterways Convey > 2.2 billion Tons Commerce
Corps Maintained Ports Provide Strategic Deployment Capability
HMTF collects \$1.3 billion revenue**

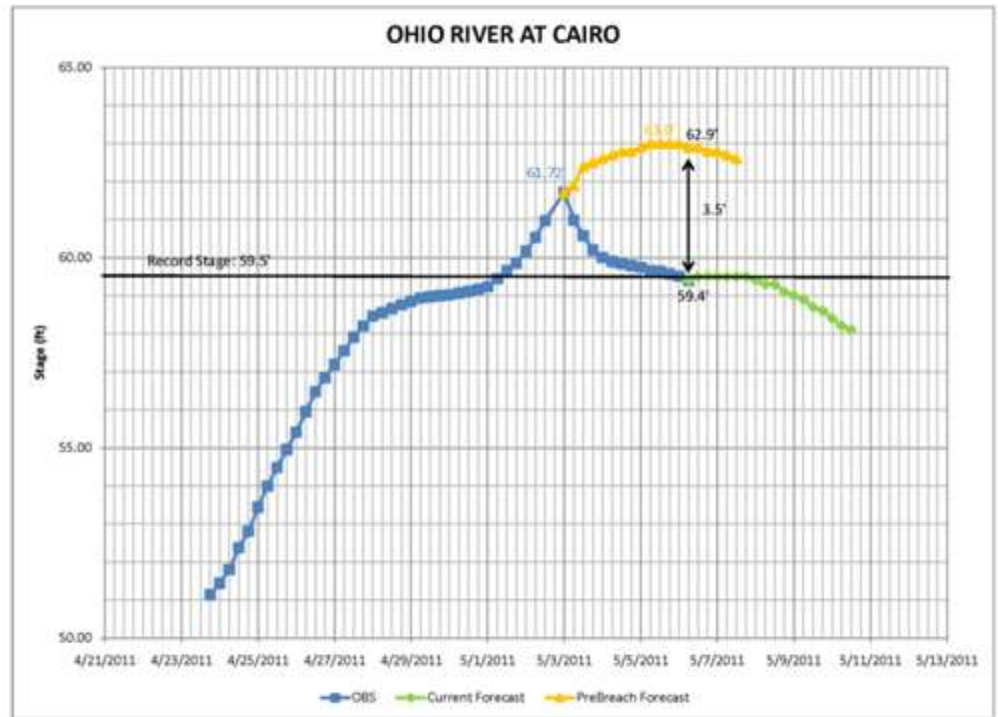
Mississippi River Flood Fight



- In 1928, MG Edgar Jadwin, then Chief of Engineers, developed a plan to prevent disastrous floods on the Lower Mississippi River.

- In 2011, that plan proved its worth as USACE battled floodwaters similar to those of 1927.





USACE Civil Works Program

FY12 Budget Request

Deliver enduring, comprehensive, sustainable, and integrated solutions to the Nation's water resources and related challenges through collaboration with our stakeholders (Regions, States, Localities, Tribes, Other Federal Agencies)



Lock and Dam 15 (Mississippi River)



Flood Wall (Williamson, KY)



Everglades



Dredge ESSAYONS (Coos Bay, OR)



Lake Seminole (Mobile District)



Bonneville II Powerhouse (Washington)

(\$1.575 B) Navigation (34%)

**(\$1.447 B) Flood Risk (31%)
Management**

**(\$742 M) Ecosystem (16%)
Restoration & Infrastructure**

(\$182 M) Hydropower (4%)

**(\$259 M) Recreation & Natural (6%)
Resource Management**

**(\$196 M) Regulatory Program: (4%)
Wetlands & Waterways**

**(\$34 M) Disaster Preparedness (0.7%)
& Response**

(\$6 M) Water Supply (0.1%)

(\$185 M) Expenses (3%)

Corps Navigation Mission

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



Navigation Funding – Pres Budget

(\$million)

Pres Bud	Coastal	Inland	Nav	CW total	Nav Percent
FY12	\$832	\$744	\$1576	\$4631	34
FY11	\$873	\$779	\$1652	\$4939	33
FY10	\$971	\$796	\$1767	\$5125	35
FY09	\$969	\$931	\$1900	\$4741	40
FY08	\$957	\$1057	\$2014	\$4900	41

THE TREND is declining funds

Navigation down 22% in the last 5 years.

Reductions masked by ARRA funding in FY09 and FY10

Flood Damage Reduction increased due to DSAC results; Environment also increased.

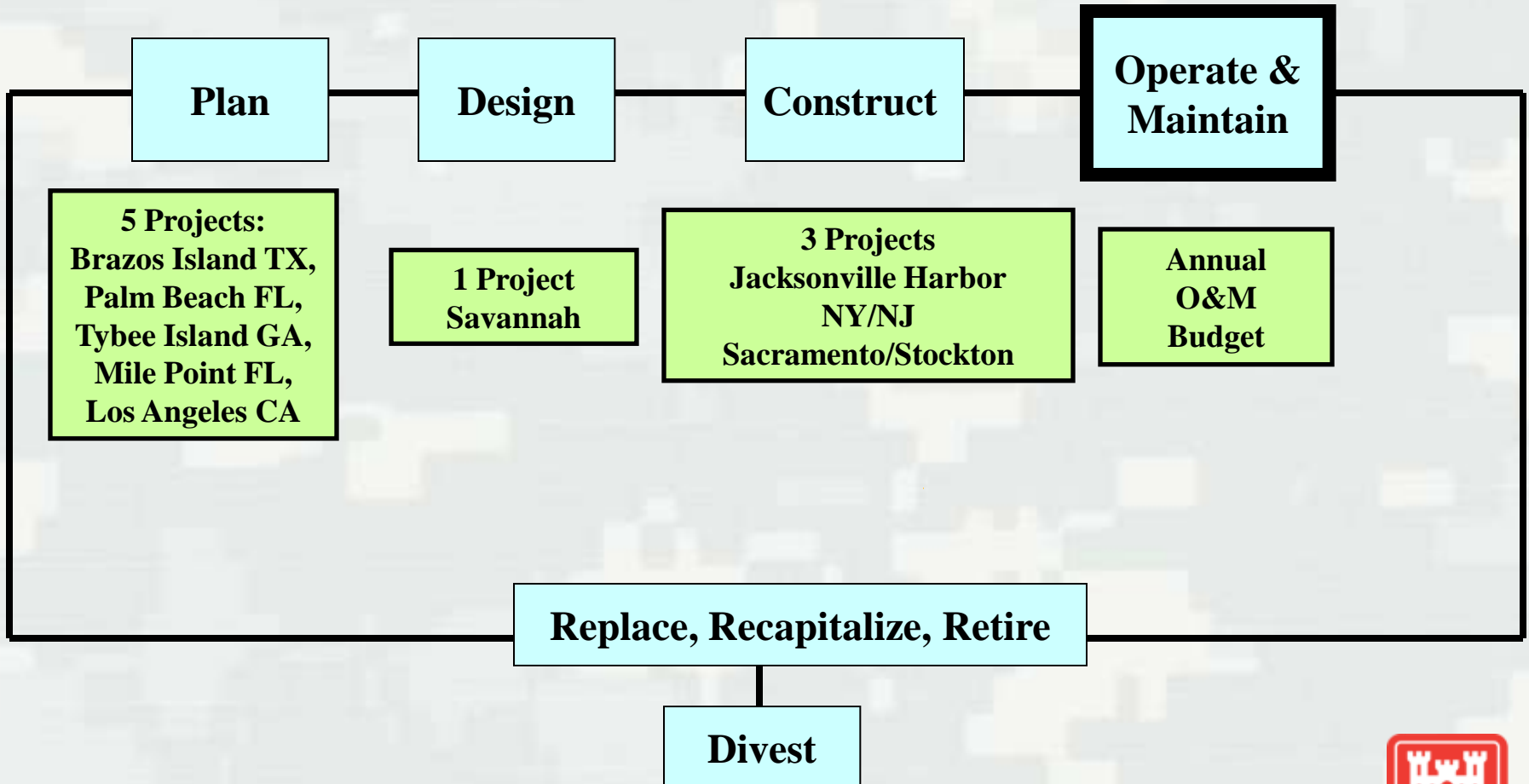


Coastal Navigation

- 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 \$2.3T in economic activity
- Many coastal ports nearing capacity
- Cargo volumes of 2000 projected to double by 2025
- Already a generation behind in channel design – but West Coast in better shape
- Capacity constraints increase transportation costs, pollution, congestion

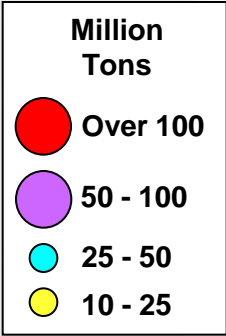


Coastal Navigation Capital Investment Program



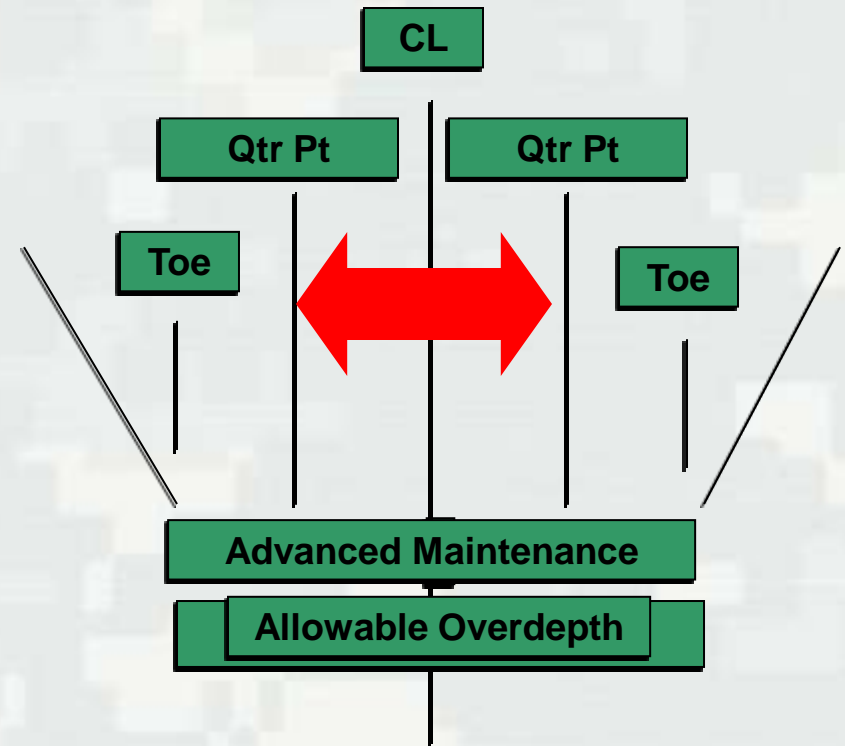
U.S. Ports: Vital to Trade and Our National Economy

59 harbors – coastal, inland, Great Lakes - handle over 10 million tons each year...



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

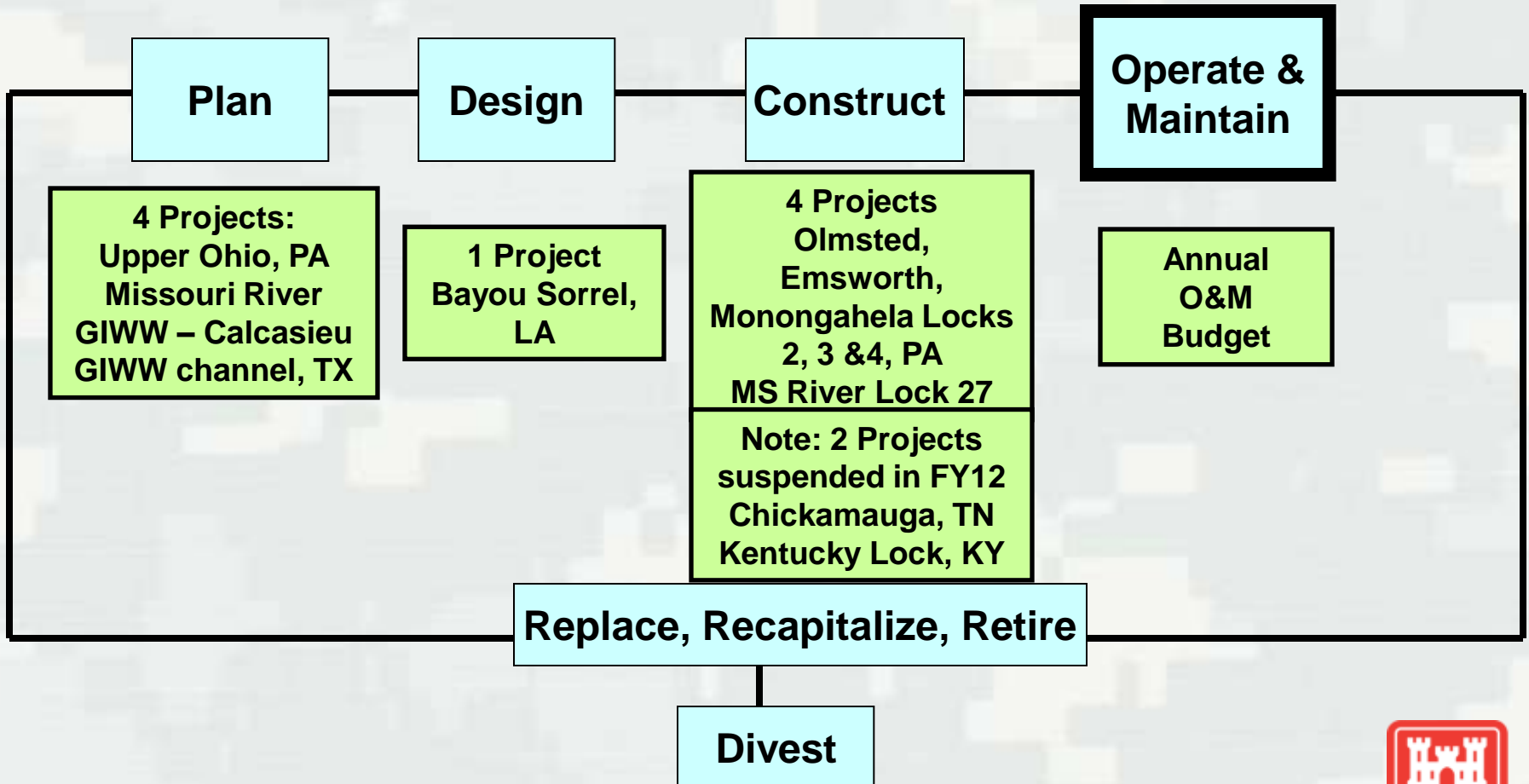


Inland Navigation Challenges

- Aging Infrastructure/System Reliability
 - 50% Locks > 50yrs old
 - Increase in Lock down time or delays
 - Increase in emergency repairs
- Funding to support Navigation
 - O&M flat-lined in constant dollars
 - Limited Construction funds for improvements
- Increased demands for water transport
 - Need for increased Lock sizes



Inland Navigation Capital Investment Program



**Transforming the
Pre-Authorization Study
Process for the 21st
Century: *A New Planning
Paradigm***

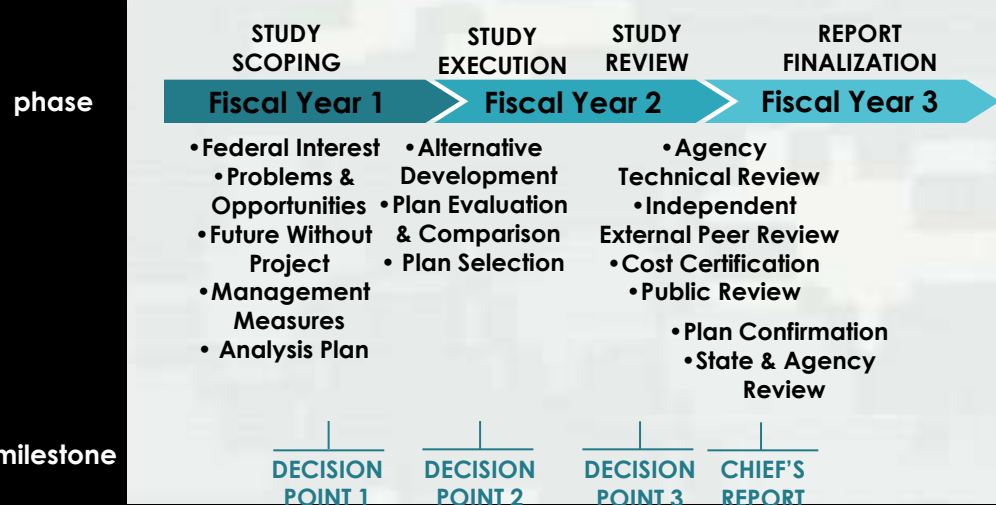


NEW PARADIGM: PREAUTHORIZATION STUDY PROCESS

CURRENT PLANNING PROCESS: 6+ YEARS (approximate timeframes)



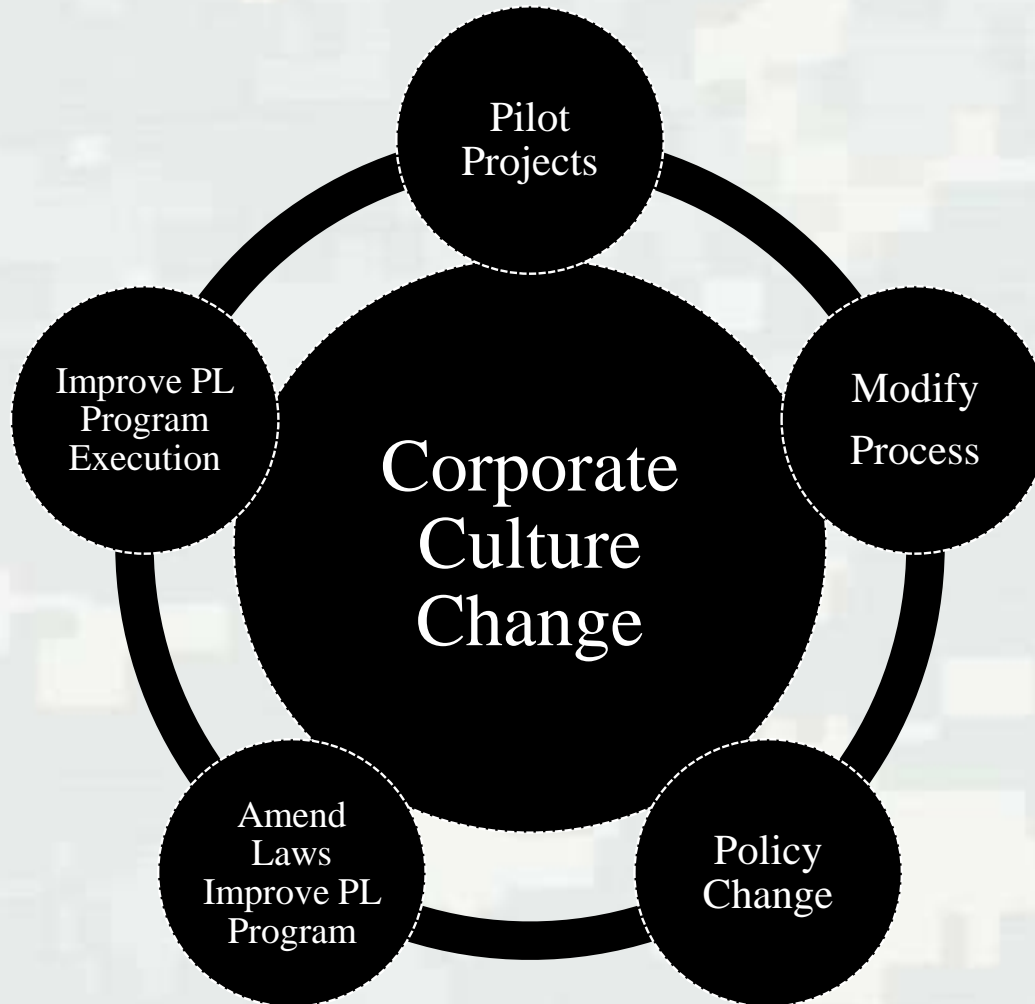
REVISED PLANNING PROCESS: 2 YEAR (approximate timeframes)



The revised process consolidates key decisions into the early part of the study process, allowing for more clear scoping and focused attention on relevant details. It integrates early decision making with more flexible analysis and emphasizes focused risk management strategies.



The Way Ahead



Pilot Status Update

- Jordan Creek, MO
 - Flood Risk Management
 - Initiated Feb 2011
 - Scoping Workshop Apr 2011
 - DP1 - 24 Sept 2011
- Westside Creeks, TX
 - Ecosystem Restoration
 - Initiated June 2011
 - Scoping Workshop July 2011
 - DP1 - 1st qtr FY12
- Sutter Basin, CA
 - Flood Risk Management
 - Initiated Feb 2011
 - Scoping Workshop May 2011
 - DP1 – 23 Sept 2011
- **Palm Beach Harbor, FL**
 - **Navigation**
 - **Initiated June 2011**
 - **Scoping Workshop Aug 2011**
 - **DP1 - 1st qtr FY12**

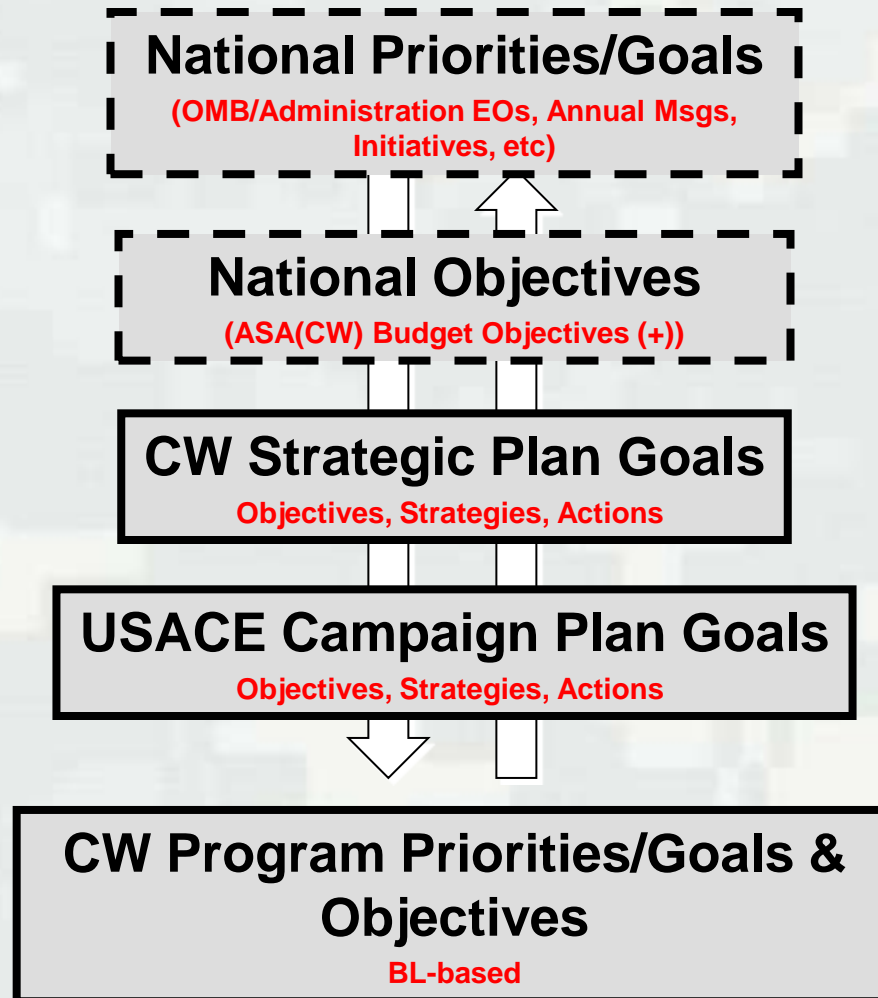




The New Budgeting Paradigm

***Aligning Business Lines
to National
Goals/Priorities and
National Objectives***

CW Vertical Mapping/Alignment & Sources



National Priorities/Goals

- Reduce the Deficit¹
- Create Jobs and Restore the Economy¹
- Improve Infrastructure¹
- National Export Initiative³
- Restore and Protect the Environment¹
- Maintain Global Competitiveness²
- Increase Energy Independence²
- Improve Quality of Life²



¹FY2011 CW Budget Briefings to OMB

²President's 2011 State of the Union Address

³President's 2010 State of the Union Address & EO (11 Mar 10)

NOTE: This listing is a listing of priorities/goals, not a ranking.



Water Resources Objectives



- **Protect, develop and restore the Nation's water and related land resources¹**
- **Operate and maintain existing Corps projects¹**
- **Train and prepare for emergency response needs¹**
- **Improve energy, water, and petroleum efficiency²**
- **Double exports from FY2010 to FY2015³**

¹FY2011 CW Press Book Preface

²Executive Order 13514 - Federal Leadership in Environmental, Energy, and Economic Performance

³President's 2010 State of the Union Address

NOTE: This is a listing of objectives, not a ranking.



Use of Funds

- ❑ Make optimal use of available funds
 - Fund fewer projects more efficiently
 - More sophisticated asset management
 - Risk-based maintenance funding
 - Proportionally more for maintenance, less for new or replacement projects
 - Eliminate categories of projects with least national benefits
- ❑ Deliver less (flood control, navigation, recreation, hydropower,)
- ❑ De-authorize constructed projects that no longer serve their authorized purposes
- ❑ Educate better: Jobs, Infrastructure, Value to Nation



Find Other Funds

- Seek other sources of funds
 - Harbor Maintenance Trust Fund
 - Seek more of annual revenues for channel maintenance and related activities
 - Inland Waterways Trust Fund
 - Seek additional revenue and revenue sources
 - Direct funding of hydropower or public private partnership funding of some hydro



Summary

- **The marine transportation system is a vital part of our Nation's Infrastructure-critical to America's continued growth and prosperity**
- **The Corps is a partner in ensuring the nation's coastal ports remain viable for the Nation**
- **Demands for waterway transportation are increasing requiring improved and reliable infrastructure**
- **To remain an active player in world economy, the United States needs to establish a national strategy**
- **We need to continue to educate the public on the importance of our Nation's Coastal infrastructure and its present condition**
- **Support a collaborative approach to develop a national strategy to meet the future waterborne commerce needs of the nation**



Questions / Comments

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