AAPA Maritime Economic Development Seminar

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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.

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

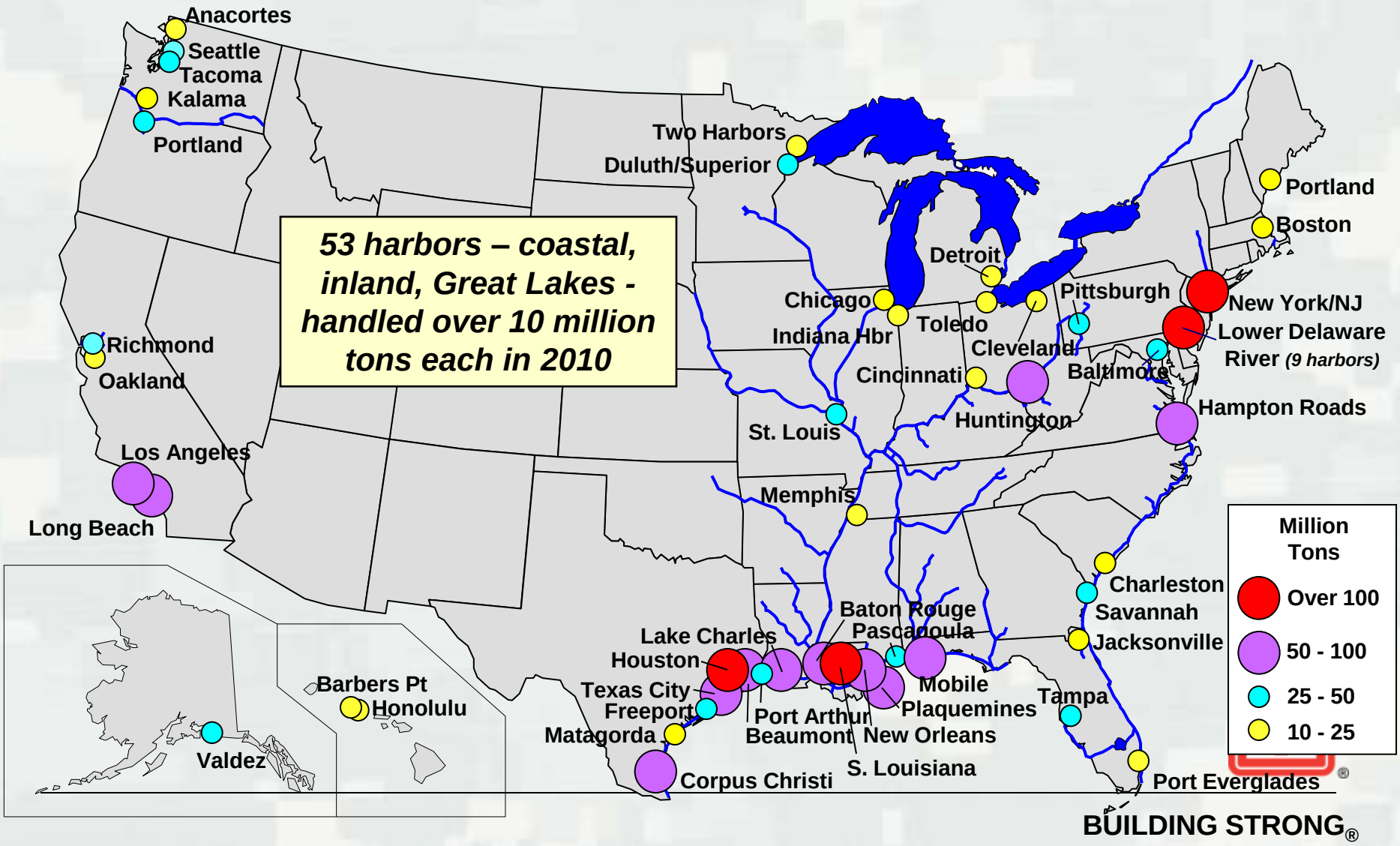
COASTAL NAVIGATION

- 1067 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

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



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Navigation Funding – Pres Bud

($million)

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

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

	Navigation	Civil Works
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
TOTAL:	$1,575 M	$4,631 M

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