

Water Resources

With 95 percent of the world's population and 80 percent of global consumption outside the United States, safe and efficient freight movement holds the key to U.S. jobs and our international competitiveness. Ports are the gateways to the global marketplace and federal navigation channels provide essential access to these facilities.

The Corps of Engineers Navigation budget supports the key federal program to modernize and maintain our nation's navigation channels that bring ships to our ports and are key to our nation's ability to import and export goods efficiently. Waterside investments are needed to meet the trade and safety needs of the 21st Century.

FOR FY 2018 AAPA URGES CONGRESS TO:

- Fund the Corps of Engineers navigation program at \$2.9 billion, including \$1.615 billion for coastal navigation,
- Fund Harbor Maintenance Tax related work at \$1.33 billion,
- Fund coastal navigation construction at \$250 million and authorize new construction starts, and
- Fund Section 2106 donor and energy transfer port funding at the authorized \$50 million level and direct the Corps to fund broader Section 2102 donor equity provisions.

FULLY USE THE HARBOR MAINTENANCE TAX

In 1986 our nation set up a system for users to pay 100 percent to maintain the channels into our harbors. The Harbor Maintenance Tax (HMT) is assessed on the value of imports and domestic cargo that moves through ports. It is collected but has not been fully appropriated each year by Congress, resulting in a surplus that exceeded \$9 billion at the end of FY 2016. WRRDA 2014 established a ten-year plan of annual incremental increases in the percentage of HMT-related spending that should be appropriated each year until full use is achieved. Congress, through the appropriations process, must carry out the WRRDA agreement.

WRDA 2016 included a provision to assure annual progress is made towards achieving full use of HMT revenues by FY 2025. For FY 2018, AAPA is requesting \$1.33 billion for HMT work, a 3% increase over

FY 2016 funding. The Administration estimates 2017 HMT revenue to be \$1.495 billion.

DONOR EQUITY

Channel maintenance dredging requirements vary widely, with some ports requiring annual dredging and others very minimal maintenance. There can be significant disparities between the HMT revenues collected on cargo moving through a port and the amount of funds utilized to maintain the port's channel. AAPA supports providing more equity for HMT donors as established in WRRDA Sections 2102 and 2106. Appropriators must provide funding for these provisions in WRRDA to be implemented.

CHANNEL IMPROVEMENTS

WRRDA 2014 authorized eight navigation channel improvement projects. Timely completion and return

on investments requires more robust funding. The President's FY 2017 budget request was for \$105 million. At that rate, it would take nearly 20 years to complete the eight projects authorized in WRRDA. Seven additional projects were authorized in WRDA 2016, further extending the completion time frame.

CONGRESSIONAL ACTION ON THE FY 2018 BUDGET

AAPA leads a group of national and regional navigation program supporters that work collaboratively to

identify funding needs for the Corps of Engineers navigation program. Below is a comparison chart that shows the requested funding for FY 2018 along with the FY 2017 funding and FY 2018 funding in the President's budget proposal. Congress has shown great understanding and leadership in providing programmatic funds to increase amounts for navigation improvement studies, 21st century channel improvements, and operation and maintenance. AAPA urges Congress to pass a FY 2018 Energy and Water Appropriations bill before the end of FY 2017.

	2018 Stakeholders	2017 Funded	2018 Pres Budget
COASTAL NAVIGATION	\$1.615 B	\$__ B	\$1.079 B
Investigations	\$15 M	\$14.2 M	\$11 M
Construction	\$250 M	\$375 M	\$133 M
Operations & Maintenance	\$1.3 B	pending	\$935 M
Donor and Energy Ports	\$50 M	\$28 M	\$0

FUNDING SUMMARY

AAPA calls on Congress to provide adequate funds for the Corps of Engineers to ensure waterside infrastructure is maintained and modernized for the 21st century. This includes

- Continue HMT funding increases towards full use of tax revenues,
- Robust funding for cost-shared navigation channel improvement projects authorized in WRRDA 2014 and WRDA 2016, and
- Fund donor equity through WRRDA Section 2106 donor and energy transfer ports and WRRDA Section 2102 allocation provisions.

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