

Navigation Funding and Channel Availability

AAPA/Corps Webinar

May 28, 2015



Alliance of the Ports of Canada, the Caribbean, Latin America and the United States

Seaports
Deliver
Prosperity

TOPICS

- **FY 2016 Funding Approach by Navigation Supporters**
- **Results – Congressional Appropriations Status**
- **Channel Availability Initiative**
- **Preparing for FY 2016 and 2017**

Freight Movement



Approaching FY 2016 Appropriations for Corps Navigation Program

Jim Walker

March 12, 2015



Alliance of the Ports of Canada, the Caribbean, Latin America and the United States

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Background

- We're told one of the key factors in WRRDA's passage was the collective voice of navigation stakeholders
- Getting WRRDA passed was a major milestone, but the **next step is getting appropriations** for the changes and authorizations
- Navigation supporters approach to appropriations during the Congressional Add era was project specific requests
- Congress has adjusted to 'programmatic funding'
- Navigation supporters need to develop a corresponding 'programmatic approach' to appropriations

PROPOSAL

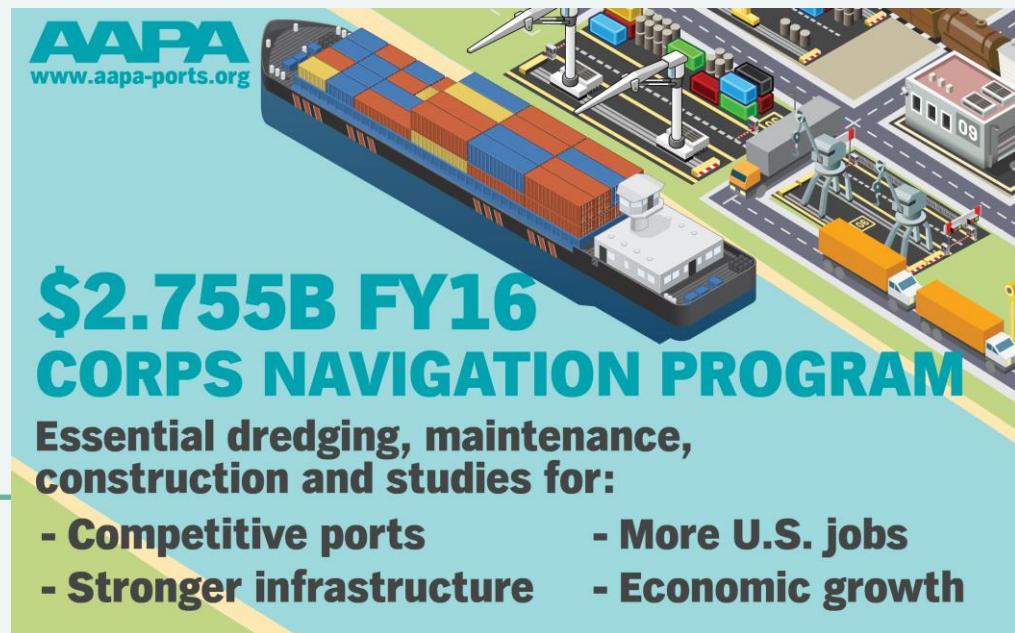
- Congress passed major Navigation related legislation in 2014:
- WRRDA 2014
 - HMT Targets
 - 3x3x3 study process
 - New Authorized Projects to start construction
 - Donor and Energy Transfer Port funding
- Tax Increase Prevention Act of 2014
 - Increased IWTF rates and resulting funding expectations for inland navigation construction projects
- We need to develop a collective and uniform stakeholder message for Appropriations to implement this legislation

\$2.755 billion for 2016 Corps Navigation Program

	2016 Nav Stakeholders	2015 Cromnibus	2016 Pres Bud	Remarks
Coastal & Inland Navigation Investigations	\$50 M	\$38 M	\$25 M	Complete WRRDA studies in 3 years
Coastal Navigation Construction	\$300 M	\$184 M	\$81 M	For WRRDA channel improvements
Inland Navigation Construction	\$360 M	\$300 M	\$240 M	Inland Waterway Trust Fund full use
Coastal Navigation O&M (Harbor Maintenance Tax)	\$1.25 B	\$1.12 B	\$871* M	Hits WRRDA Target *Total HMT \$915; \$44 of Const is HMT
Coastal Navigation O&M (Donor & Energy Ports)	\$50 M	\$0	\$0	WRRDA Section 2106
Inland Nav O&M	\$700 M	\$661 M	\$691 M	
MS River & Trib	\$45 M	\$45 M	\$38 M	Construction & O&M
Total	\$2.755 B	\$2.348 B	\$1.948 B	

'Nav 1 Number' Graphics

- \$2.755 billion for the Corps Navigation program
- Simple, straightforward message like the 'Hit the HMT Target!' campaign
- Build and maintain 21st century US infrastructure
- US Jobs and Economic Growth!



Sample Message for Hill visits

- _____ (Organization) supports the Navigation Coalition's \$2.755 billion Corps funding in FY 2016. This request is supported by all navigation stakeholders – ports, shippers, manufacturers, agriculture, labor for both coastal and inland navigation.
- Our top need is _____ and it will be addressed within this amount.
- Ask: Member to send letter to Approps Committee leadership (draft provided)

Milestones

- Discuss and determine support for this approach
- Develop messaging, graphics and a communication strategy
- Distribute information to supporters
- Budget Resolution
- Member Appropriation requests
- Use the messaging in various Congressional meetings
- Track Member support

Join us!

Stakeholder		Stakeholder		Stakeholder	
AAPA	Y	WCI	Y	ARTBA	Y
RAMP	Y	AWO	Y	AGC	Y
Gulf Ports	Y	NWC	Y	AASHTO	Y
PNWA	Y	Big River Coalition	Y	BoatU.S.	Y
CMANC	Y	GICA	Y	NCGA	Y
LCA	Y	NAPA	Y	NGFA	Y
Great Lakes	Y	LABOR	Y		

Results

- Stakeholders letter to Appropriations Committee leaders, 48 organizations
- 2 House 'Dear Colleague' letters, 86 and 26 Members
- Senate 'Dear Colleague' letter, 19 Senators

March 12, 2015

The Honorable Hal Rogers
Chairman
House Committee on Appropriations
H-307, U.S. Capitol
Washington, DC 20515

The Honorable Mike Simpson
Chairman
Subcommittee on Energy & Water
Development Appropriations
2362B Rayburn House Office Building
Washington, DC 20515

The Honorable Nita Lowey
Ranking Member
House Committee on Appropriations
1016 Longworth House Office Building
Washington, DC 20515

The Honorable Marcy Kaptur
Ranking Member
Subcommittee on Energy & Water
Development Appropriations
1016 Longworth House Office Building
Washington, DC 20515

Chairmen Rogers and Simpson and Ranking Members Lowey and Kaptur:

The undersigned navigation stakeholders request you provide the U. S. Army Corps of Engineers (USACE) navigation program funding of \$2.755 billion for Fiscal Year (FY) 2016. We appreciate your efforts to increase USACE navigation program funding in your annual Energy and Water Development and Related Agencies (E&W) Appropriations Acts.

2014 was a landmark year for Congress with passage of the Water Resources Reform and Development Act (WRRDA) and the Tax Increase Prevention Act of 2014 (TIPA). WRRDA established targets for incremental increases in Harbor Maintenance Trust Fund (HMTF) appropriations leading to full use of Harbor Maintenance Tax (HMT) revenues by FY 2025. WRRDA also authorized navigation channel improvements to build America's 21st century maritime infrastructure, streamlined the planning study process and established donor equity. TIPA provided stakeholder-sought increases to the tax providing the Inland Waterways Trust Fund (IWT) with additional revenues for capital investments in inland

Congress of the United States
Washington, DC 20515

March 17, 2015

The Honorable Harold Rogers
Chairman
Committee on Appropriations
H-305 The Capitol
Washington, DC 20515

The Honorable Mike Simpson
Chairman
Subcommittee on Energy and Water
Development, and Related Agencies
Appropriations
2362B Rayburn House Office Building
Washington, DC 20515

The Honorable Nita Lowey
Ranking Member
Committee on Appropriations
1016 Longworth House Office Building
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The Honorable Marcy Kaptur
Ranking Member
Subcommittee on Energy and Water
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Appropriations
1016 Longworth House Office Building
Washington, DC 20515

Dear Chairmen Rogers and Simpson and Ranking Members Lowey and Kaptur:

Thank you for your efforts to increase U.S. Army Corps of Engineers Civil Works program harbor maintenance funding in your annual Energy and Water Development and Related Agencies (E&W) Appropriations Act. We were particularly pleased to see the President's budget projected revenue for Harbor Maintenance Trust Fund to be over \$1.81 billion for Fiscal Year 2015. It is with this increased activity that we write to request that the House Appropriations Committee hold the line and allocate \$1.25 billion for harbor maintenance in the House Fiscal Year 2016 (FY16) bill, meeting the target that is included in section 2101(b)(1)(A) of Water Resources Reform and Development Act (WRRDA) of 2014. The House supported the WRRDA conference report by a 412-4 vote and supported increasing FY16 harbor maintenance funding to the WRRDA 2014 target level of at \$1.2 billion, but ideally meeting the target percentage of 69% and allocating \$1.25 billion for FY16.

Enough Harbor Maintenance Tax (HMT) revenue is collected each year to meet the nation's annual authorized harbor maintenance needs for harbors of all sizes. Unfortunately, harbors and navigation channels are getting narrower and shallower due to accumulating sediment, dredged material disposal area capacity is declining, and harbor structures such as breakwaters and jetties are deteriorating due to inadequate funding.

The Army Corps of Engineers has reported that nationwide authorized channel depths are available about half of the time, and then only over half of the channel's width. This drives up the cost of U.S. exports and imports, which threatens U.S. economic growth and increases the risk of vessel groundings and associated oil spills. Many U.S. exports compete in a very price-sensitive global market where transportation inefficiencies mean losing business to other countries. Underutilization of HMT revenue threatens the continued operation of small and medium sized harbors, and some have closed due to inadequate maintenance.

United States Senate
WASHINGTON, DC 20510

April 17, 2015

The Honorable Thad Cochran
Chairman
Senate Appropriations Committee
S-128, U.S. Capitol
Washington, DC 20510

The Honorable Barbara Mikulski
Vice Chairwoman
Senate Appropriations Committee
S-146A, U.S. Capitol
Washington, DC 20510

The Honorable Lamar Alexander
Chairman
Subcommittee on Energy & Water
Development Appropriations
186 Dirksen Senate Office Building
Washington, DC 20510

The Honorable Dianne Feinstein
Ranking Member
Subcommittee on Energy & Water
Development Appropriations
125 Hart Senate Office Building
Washington, DC 20510

Dear Chairmen Cochran and Alexander, Vice Chairwoman Mikulski, and Ranking Member Feinstein:

Thank you for your efforts to increase U.S. Army Corps of Engineers civil works program harbor maintenance funding in your annual Energy and Water Development and Related Agencies (E&W) Appropriations Acts.

As you work on the Fiscal Year 2016 Energy and Water Appropriations Bill, we respectfully request that you give serious consideration for increasing the U.S. Army Corps of Engineers allocation from the Harbor Maintenance Trust Fund (HMTF). As you know, Federal investments in navigation-related infrastructure are an essential and effective utilization of limited resources, paying dividends through increased trade and international competitiveness, sustainable job creation and more than \$200 billion annually in Federal, state and local tax revenues.

Through making this request, we ask you to reference the Water Resources Reform and Development Act of 2014 (WRRDA 2014), which established a 10-year path to fully use Harbor Maintenance Tax (HMT) collections for their intended purpose. It would be tragic if Congress failed to hit the HMT target after passing this legislation with overwhelming bipartisan support. We also ask that the funding be provided only for authorized harbor maintenance.

More than \$1.8 billion in annual HMT revenue is being collected specifically to meet the nation's annual authorized harbor maintenance needs for harbors of all sizes. Unfortunately, annual appropriations have been significantly less than annual collections, resulting in harbors and navigation channels getting narrower and shallower due to accumulating sediment, declining

FY 2016 Corps Navigation Funding Table

	2015 Cromnibus	2016 Pres Bud	2016 Nav Stakeholders	2016 House	2016 Sen Approp	2016 Conference
Coastal & Inland Navigation Investigations	\$38 M	\$25 M	\$50 M	\$31.5 M	\$32.7 M	
Coastal Navigation Construction	\$184 M	\$81 M	\$300 M	\$130.5 M	\$193.3 M	
Inland Navigation Construction	\$300 M	\$240 M	\$360 M	\$348 M	\$349 M	
Coastal Navigation O&M (Harbor Maintenance Tax)	\$1.12 B	\$871* M	\$1.25 B Incl. \$40M to SLSDC & CBP	\$1.214B Hits HMT Target~	\$1.214B (?)	
Coastal Navigation O&M (Donor & Energy Ports)	\$0	\$0	\$50 M	\$0	\$50 M	
Inland Nav O&M	\$661 M	\$691 M	\$700 M	\$733 M	\$736 M	
MS River & Trib	\$45 M	\$38 M	\$45 M	\$44 M	\$44 M (?)	
Total	\$2.348 B	\$1.948 B	\$2.755 B	\$2.500 B	\$2.619B+	

Note: ~HMT also appropriated for Saint Lawrence Seaway and Customs; Historical amounts will Hit HMT Target

What's Next?

- **Senate, Conference Committee**
- **Corps preparations for FY 2016 execution**
- **Stakeholder preparations for FY 2017**
- **KEY QUESTIONS: What progress is being made on the maintenance dredging backlog? Are channel conditions improving?**
- **AAPA Ports and the Corps need to have consistent responses based on channel survey results**

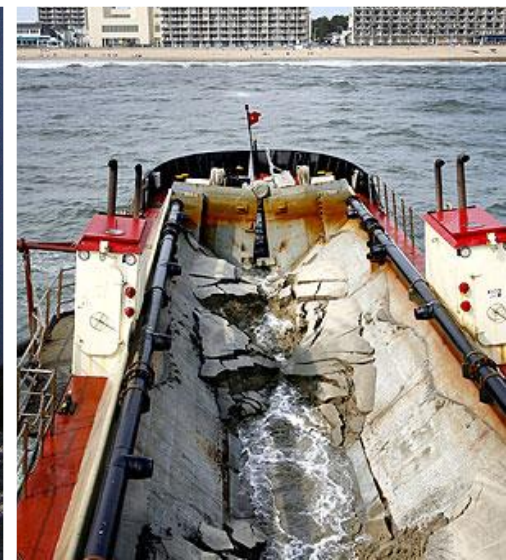
Updated Condition Assessment & Channel Availability

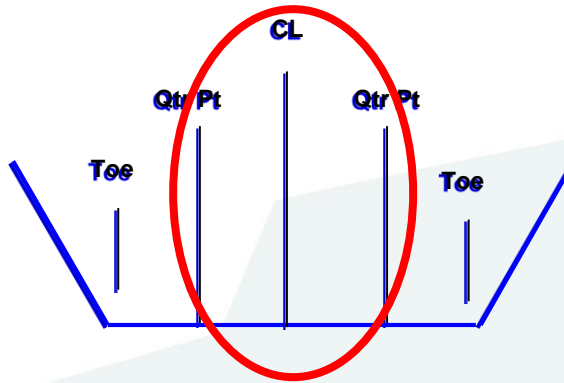
Dylan Davis
SAD Nav Program Manager

May 28, 2015



US Army Corps of Engineers
BUILDING STRONG®





GOOD	A	95% at Half Channel Availability at maintained Depth
MODERATE	B	75% at Half Channel Availability at maintained Depth
POOR	C	50% at Half Channel Availability at maintained Depth
FAILING	D	25% at Half Channel Availability at maintained Depth
FAILED	F	0% at Half Channel Availability at maintained Depth

* The percentage listed under the probability/condition listed above refers to the middle half channel availability

Channel Depth Restriction (Channels >=30')

Channel
Width
Availability
(w/ Two Way
Traffic)

	0'	1'	2'	3'	>=4'
100%	25	23	20	16	11
90%	24	21	17	12	7
75%	22	18	13	8	4
50%	19	14	9	5	2
<50%	15	10	6	3	1

Channel Depth Restriction (Channels <30')

Channel
Width
Availability
(w/ Two Way
Traffic)

	0.0%	4.0%	8.0%	12.0%	>16%
100%	25	23	20	16	11
90%	24	21	17	12	7
75%	22	18	13	8	4
50%	19	14	9	5	2
< 50%	15	10	6	3	1

Channel Depth Restriction (Channels >=30')

Channel
Width
Availability
(w/ One Way
Traffic)

	0'	1'	2'	3'	>=4'
100%	25	23	20	16	11
95%	24	21	17	12	7
90%	22	18	13	8	4
85%	19	14	9	5	2
80%	15	10	6	3	1

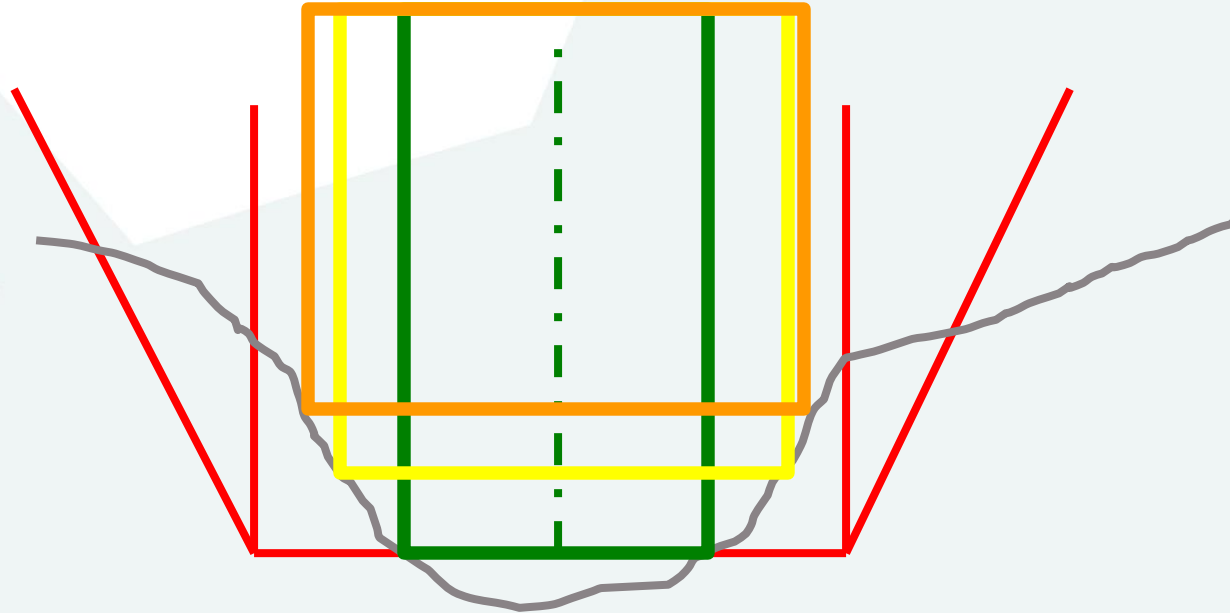
Channel Depth Restriction (Channels <30')

Channel
Width
Availability
(w/ One Way
Traffic)

	0.0%	4.0%	8.0%	12.0%	>16%
100%	25	23	20	16	11
95%	24	21	17	12	7
90%	22	18	13	8	4
85%	19	14	9	5	2
80%	15	10	6	3	1

EXAMPLE

42' x 600'



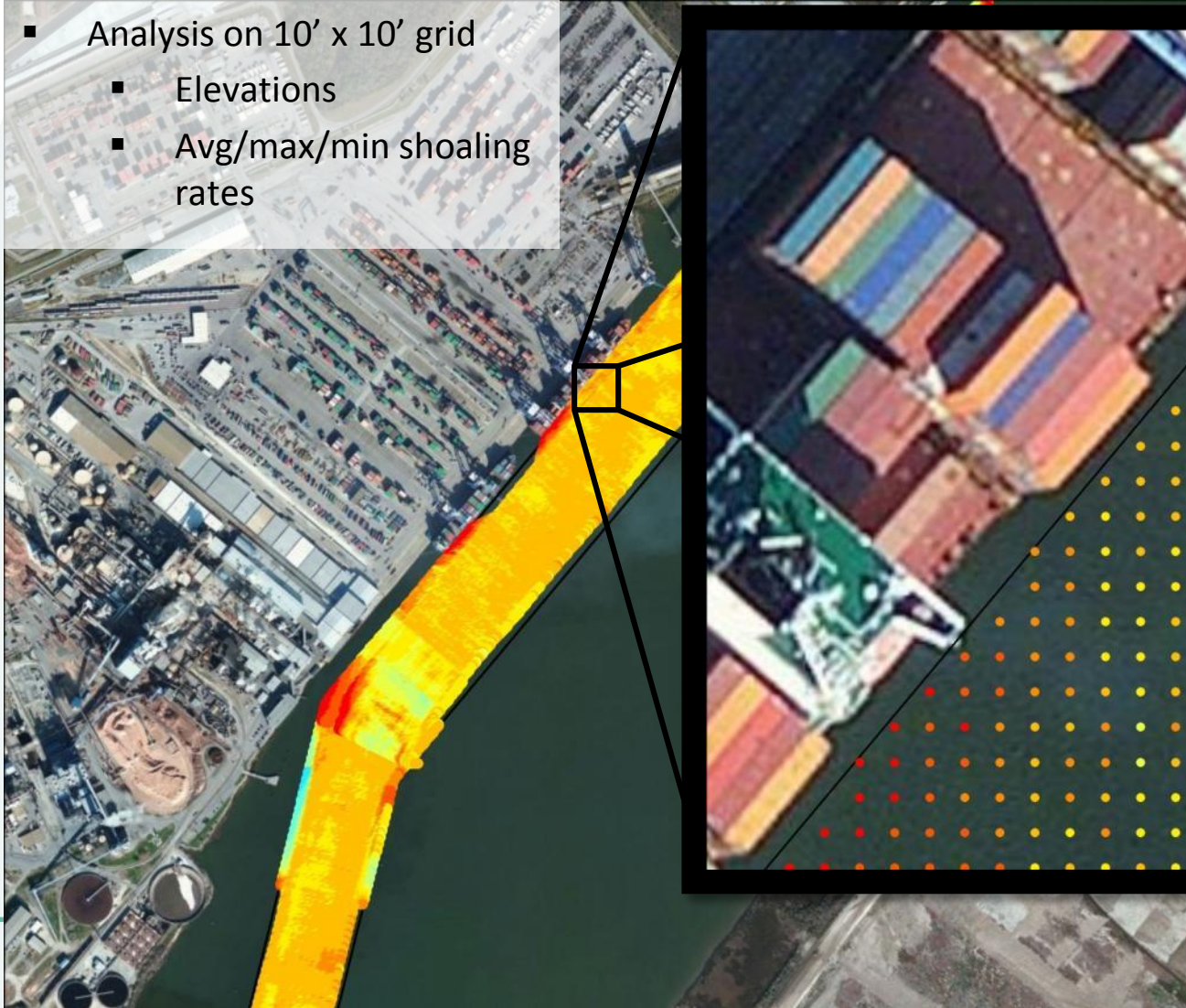
Old Condition – “A”; Middle Half of Channel @ 100%

New Condition (2 way Traffic) – “C”; 75% of width
and 2' restriction

New Condition (1 way Traffic) – “D”; 90% of width
and 3' restriction

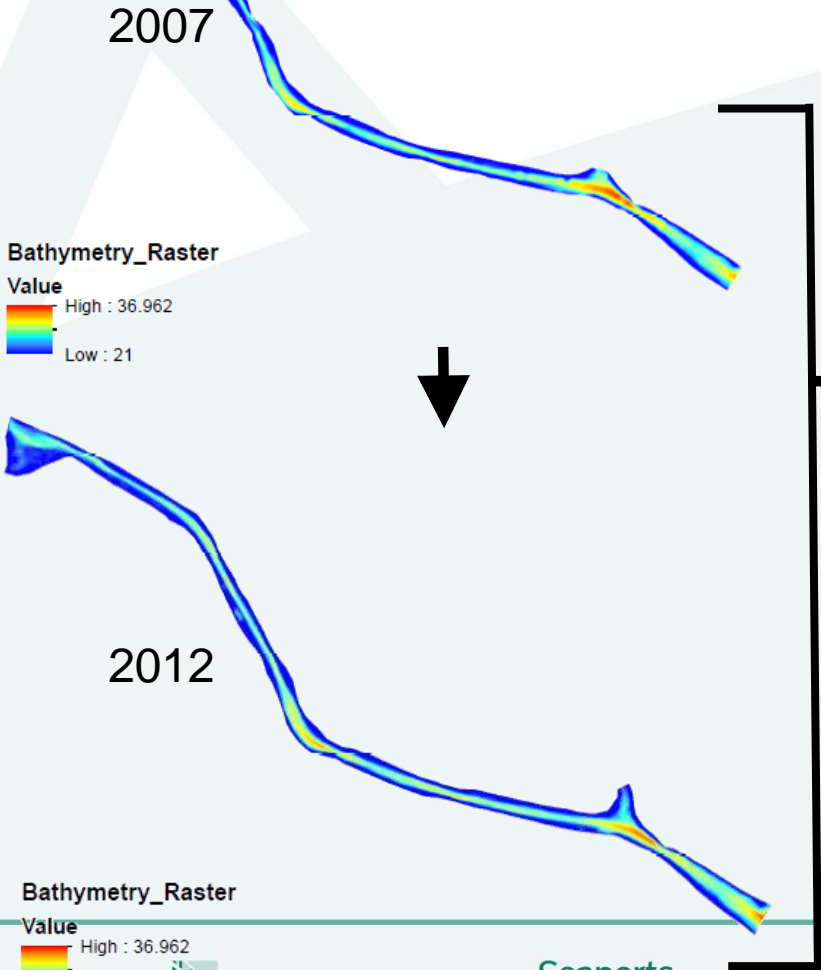
Detailed Shoaling Data

- Analysis on 10' x 10' grid
 - Elevations
 - Avg/max/min shoaling rates



eHydro Surveys

Survey pairs –
compare multiple
surveys between
dredging events



Survey pairs are
differenced and time
between each event is
used to find the
average rate of change
on the 10'x10' grid.

eHydro – Annual Channel Availability

COLUMBIA 43 FOOT FY2014

Sheet Name Reach Name	Reach Number	Depth	Left Outside Quarter	Left Inside Quarter	Right Inside Quarter	Right Outside Quarter
LOWER DESDEMONA SHOAL Lower Desdemona Shoal	1	43	45.0\100\6	47.0\100\6	48.0\100\6	50.0\100\6
UPPER DESDEMONA SHOAL Upper Desdemona Shoal	1	43	42.0\86\6	44.0\100\6	43.0\100\6	40.0\0\6
FLAVEL BAR Tansy Point Turn & Range	1	43	39.0\12\9	42.0\87\9	43.0\100\9	34.0\0\9
UPPER SANDS Tansy Point Turn & Range	1	43	40.0\0\7	43.0\100\7	44.0\100\7	42.0\42\7
UPPER SANDS Astoria Range	2	43	41.0\0\7	43.0\100\7	43.0\100\7	40.0\0\7
TONGUE POINT CROSSING Tongue Point Channel	1	43	39.0\0\10	43.0\100\10	44.0\100\10	43.0\100\10
TONGUE POINT CROSSING Harrington Point Range	2	43	39.0\32\10	41.0\90\10	42.0\69\10	36.0\0\10

AM Nav Channels

QUESTIONS?



WRRDA Sec. 2102 - Illustration of HMTF Allocations

Target Budget Resources, FY16: \$1.254 B

69% of FY14 HMT revenues (\$1.81 B est.); HMT appropriated for St. Lawrence Seaway and Customs (\$40M avg) and \$1.214M for Corps

Donor & Energy Transfer Ports

\$50 M annual authorization for appropriation separate from O&M program; only for qualified ports (section 2106)

Baseline: \$898 M

(FY12 HMTF Appropriation)
(Per WRRDA Conf Rpt Joint Explanatory Statement)

Priority Funds: \$316 M

(\$1.214 B - \$898 M = \$316 M)
Not from other Civil Works business lines

Equitable Distribution

(min. 10% to Emerging Harbors)

High & Moderate Use Projects
90% (\$284 M)

Emerging Harbors Projects
10% (\$32 M)

Section 2102 Applicability

High Use: Over 10 M tons per year
Moderate Use: 1-10 M tons per year
Emerging Harbors: < 1 M tons per year

Equitable Distribution Factors

No longer solely on cargo tonnage, now to include national and regional significance, national security and military readiness

Expanded Use Eligibility

Prior 3 years HMT revenue totals more than prior 3 year HMTF expenditures in that harbor

Expanded Uses
min. 10% (\$32 M)

For Berth Dredging and Contaminated Sediment removal

Great Lakes
min. 10%
(\$32 M)

Underserved
min. 5%
(\$16 M)

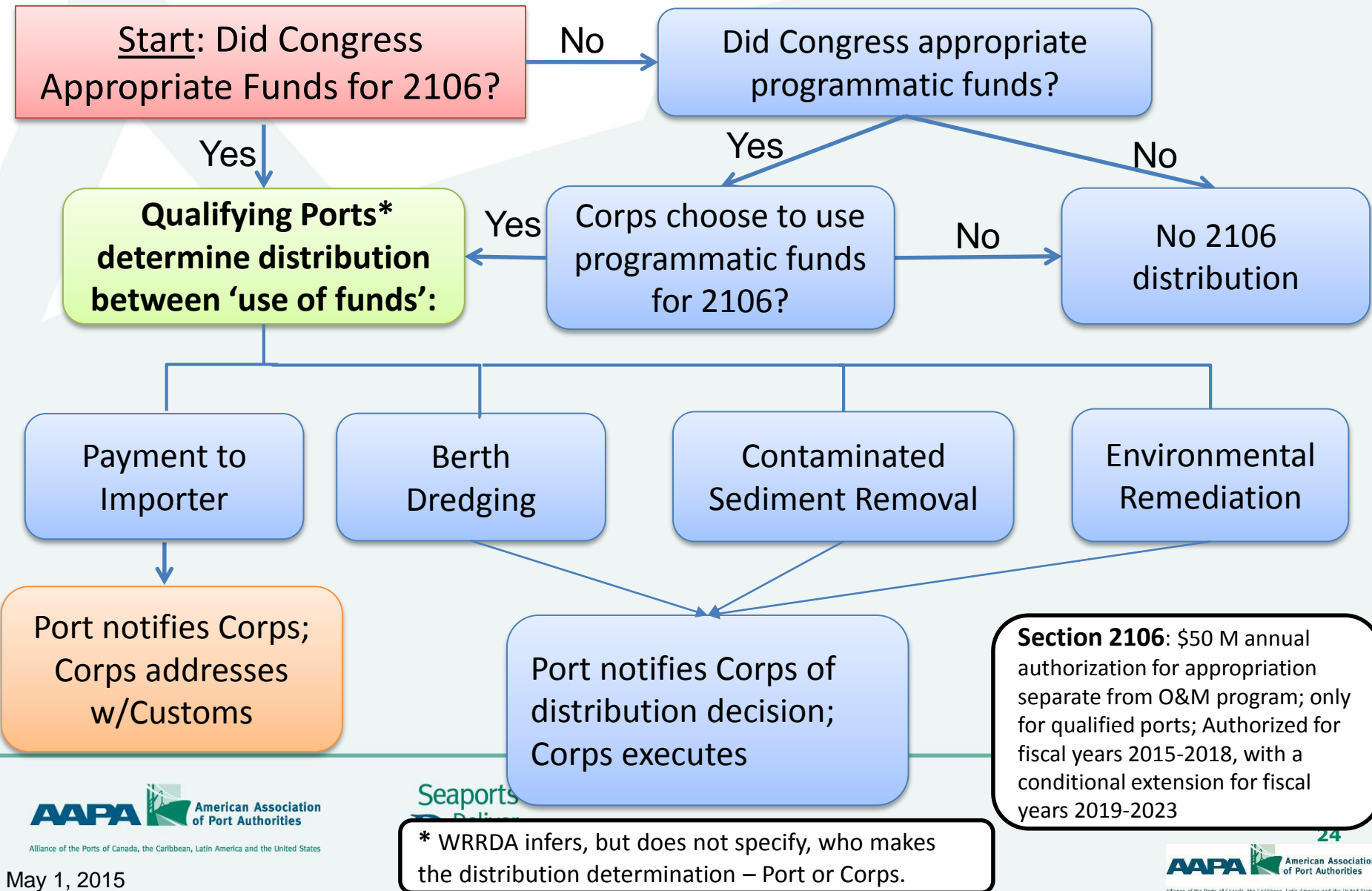
Expanded Use Prioritization

Preference to ports according to the greater difference between HMTF monies spent and HMT revenues collected in last 3 yrs.

Underserved Prioritization

Preference to ports according to level of commerce as well as ratio of O&M funding received vs full channel maintenance need.

WRRDA Sec. 2106 - Donor and Energy Transfer Ports Distribution Example



* WRRDA infers, but does not specify, who makes the distribution determination – Port or Corps.

Section 2106: \$50 M annual authorization for appropriation separate from O&M program; only for qualified ports; Authorized for fiscal years 2015-2018, with a conditional extension for fiscal years 2019-2023

WRRDA Sec. 2106 Funds Distribution

Example: \$50 M appropriated

DONOR PORTS, \$25 M

1.	Long Beach, CA	\$5.1 M
2.	Los Angeles, CA	\$6.16 M
3.	Miami, FL	\$2.42 M
4.	Seattle, WA	\$2.83 M
5.	Tacoma, WA	\$2.8 M
6.	NY/NJ	\$5.7 M

NOTES:

1. Donor port funding distribution not established in Section 2106. Donor ports agreed in April 2015 to pursue 50% equally and 50% based on port HMT revenues for FY 2016 and 2017.
2. NY/NJ treated as a single entity - 1 port authority
3. Long Beach and NY/NJ qualify as both a Donor Port and Energy Transfer Port. Both choose to be donor ports.

ENERGY TRANSFER PORTS, \$25 M

1.	Ports in Louisiana	\$5 M
(1)	Port of South Louisiana	\$1 M
(2)	New Orleans, LA	\$1 M
(3)	Baton Rouge, LA	\$1 M
(4)	Plaquemines Parish, LA	\$1 M
(5)	Lake Charles, LA	\$1 M
2.	Ports in Texas	\$5 M
(1)	Houston, TX	\$1.25 M
(2)	SNWW, Beaumont/Port Arthur	\$1.25 M
(3)	Corpus Christi, TX	\$1.25 M
(4)	Texas City, TX	\$1.25 M
3.	Mobile, AL	\$5 M
4.	Norfolk Harbor, VA	\$5 M
5.	Baltimore, MD	\$5 M

Energy Transfer Port distribution:

5 states would receive funds: \$25 M / 5 states = \$5 M per state

LA and TX port amounts assume equal split, actual distribution approach not finalized.

Port, Corps, Dredger discussion topics

- Initial Port preference for the work category - berth dredging, contaminated sediment removal, environmental remediation, HMT payment to shippers
- Are Ports 'shovel ready' to pursue the work?
- Corps receives the funds and would expect to administer the work contracts. Do ports agree?
- Scope of work: Work within the funds available or are ports likely to contribute funds for additional work?
- Contracts – how do we maximize the work done with the funds available?
- Setting reasonable execution expectations w/Congress

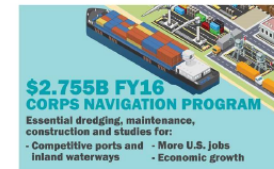
FY 2017 Preparations

- Build on 1st year success
- Lessons Learned from FY 2016
- Get the numbers earlier
- Have materials ready earlier
- Pursue wider support

FY16 USACE Navigation Funding

\$2.755 billion needed for safe and efficient freight movement

Navigation channel users have collaboratively arrived at funding amounts needed to build and maintain our nation's 21st century maritime infrastructure.



The U. S. must invest in proper modernization and maintenance efforts to assure safe and efficient freight movement to and from the global marketplace.

We urge your support for these amounts to the Budget and Appropriations Committees.

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House E&W subcommittee report has \$2.4B for Navigation, \$1.178B for HMT

Summary

- Our messages are working!
- Congress is appropriating funds to improve U.S. waterside infrastructure
- FY 2017 will be an even bigger push for funding
- FY 2016 will be a key year for execution
 - Communication is the key – Ports, Corps, Dredgers
 - Work to get to ‘Yes’
- Rooting for your success!
- Building and maintaining 21st century infrastructure to grow the US economy