

Coastal Navigation Project Performance

Defining a 'Well Maintained Project'

2017 AAPA/Corps Webinar Series
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Alliance of the Ports of Canada, the Caribbean, Latin America and the United States

Seaports
Deliver
Prosperity

American Association of Port Authorities
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Shared Goal of AAPA and USACE

Safe and efficient freight movement through ports and Corps navigation channels

Key Points

- **Corps navigation channels are the conduit for almost all U.S. global freight movement**
- **Water transportation savings are critical to America's global competitiveness in trade**
- **Harbor Maintenance Tax collected to fund 100% of eligible Corps operations and maintenance efforts**
- **Harbor Maintenance Trust Fund revenues should be sufficient to fully maintain navigation projects**

Where We've Been

- 5 years ago, Corps HMT funding was roughly 50% of HMTF revenues
- Navigation supporters organized
- WRRDA 2014 established HMT targets with annual increases leading to full use of HMTF revenues by FY 2025
- ‘Hit the HMT Target!’ funding campaigns

'Hit the HMT Target!' Campaign

TARGETS

- X** FY 2015 67% of FY 2014
- ✓ FY 2016 69% of FY 2015
- ✓ FY 2017 71%
- FY 2018 74%
- FY 2019 77%
- FY 2020 80%
- FY 2021 83%
- FY 2022 87%
- FY 2023 91%
- FY 2024 95%
- FY 2025+ 100%

Water Resources and Reform Development Act (WRRDA) of 2014, Section 2101



Navigation Funding Campaign 2018



NAVIGATION STAKEHOLDERS NEED \$2.9B FY18 CORPS NAVIGATION PROGRAM

Ports and Inland Waterways Are Critical for
Creating American Jobs, Propelling the Economy,
and Keeping America Moving.



**AMERICA:
KEEP IT MOVING**

FROM NAVIGATION COALITION
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Navigation Funding Campaign 2018

We Urge Congress to Support \$2.9 Billion for the 2018 Corps Navigation Program

	2018 Stakeholders	2017 House/Senate *estimated	2017 Pres Budget
COASTAL NAVIGATION	\$1.615 B	\$1.449/\$1.493 B	\$1.009 B
Investigations	\$ 15 M	\$14.75/\$15.5 M	\$8 M
Construction	\$250 M	\$227.5/\$218.7 M	\$105 M
Operations & Maintenance	\$1.300 B	\$1207/\$1209 M	\$896 M
Donor and Energy Ports	\$50M	\$10/\$50 M	\$0
INLAND NAVIGATION	\$1.240 B	\$1.162/\$1.133 B	\$888 M
Investigations	\$ 20 M	\$14.75/\$15.5 M	\$14 M
Construction	\$420 M	\$440.75/\$432 M	\$243 M
Operations & Maintenance	\$800 M	\$706.3/\$685.5 M	\$631 M
MS RIVER & TRIBUTARIES	\$ 45 M	\$46.5/\$45 M	\$37 M
TOTAL NAVIGATION	\$2.900 B	\$2.658/\$2.671 B	\$1.934 B

Where We Are

- **20% increase of Corps budget request for HMT work over the last 5 years**
- **50% increase of Corps HMT funding over the last 5 years**
- **Annual requests, with funding determined by Congressional appropriations committees**
- **Donor and Energy Transfer Port program authorized and funded**

Donor and Energy Transfer Ports

Donor Ports

- Los Angeles
- Long Beach
- Miami
- NY/NJ
- Seattle
- Tacoma
- Port Everglades*
- Port Hueneme*
- San Diego*

The first 6 ports generated 49% of the HMT collected and received 4% in appropriations in 2015.

*Added in WRDA 2016

Energy Transfer Ports

- Alabama - Mobile
- Louisiana
 - Baton Rouge
 - Lake Charles
 - New Orleans
 - Plaquemines
 - South Louisiana
- Maryland - Baltimore
- Texas
 - Corpus Christi
 - Houston
 - SNWW/Beaumont
 - Texas City
- Virginia – Norfolk

AAPA Seeks a Permanent Solution

- **Provide HMT revenues directly to the Corps, similar to Highway and Aviation trust funds going directly to DOT.**
- **Existing process: HMT funds are deposited into General Treasury. Changing this requires an ‘offset’ of 10 years of HMT revenues, about \$20 billion.**
- **There is Congressional support for legislation to provide immediate full use of full HMT revenues.**

2017 Opportunities

- **Tax Reform Legislation**
 - Repatriation of offshore taxes could provide the \$20 billion ‘offset’ needed.
- **Administration’s \$1 Trillion Infrastructure Investment Program**
 - AAPA advocating for full use of HMT revenues as well as the \$9 billion HMT surplus to restore navigation channels.

AAPA Approach

- **AAPA seeks full HMT use with donor equity**
 - Dredging Ports want full project maintenance before increased donor port funding
 - Donor Ports want immediate increased funding above current \$50 million authorization
- **AAPA seeks agreement that shares the risk**

The proposed approach centers on defining a fully maintained navigation project. We have identified 3 components:

- Navigation channel
- Coastal structures – jetties, breakwaters, etc.
- Dredged Material Placement Facilities

Dredged Material Placement Facilities

- **Basis:** HMT funds used for dike raisings
- **Measure:** Remaining years of capacity
 - **A:** 20+ years of capacity
 - **B:** 15-20 years of capacity
 - **C:** 10-15 years of capacity
 - **D:** 5-10 years of capacity
 - **F:** less than 5 years of capacity
- **Full Maintained:** A or B
- **Well Maintained:** A, B or C

**AAPA Sep 2016
survey used**

20+ years
10-20 years
<10 years

Coastal Navigation Structures

- **Basis: HMT funds used for CNS maintenance**
- **Measure: USACE Surveys for Relative Risk**
 - **Risk Scale**
 - **1: 0-10% chance**
 - **2: 11-30% chance**
 - **3: 31-50% chance**
 - **4: 51-70% chance**
 - **5: 71-100% chance**
 - **Full Maintained: A or B**
 - **Well Maintained: A, B or C**

Risk Scale: Percent chance that 1 or both of the following will occur in the near future:

- (1) Structural or Functional Condition Rating decreases to D or F.**
- (2) Exposure of Core or Foundation component(s) that would result in accelerated degradation**

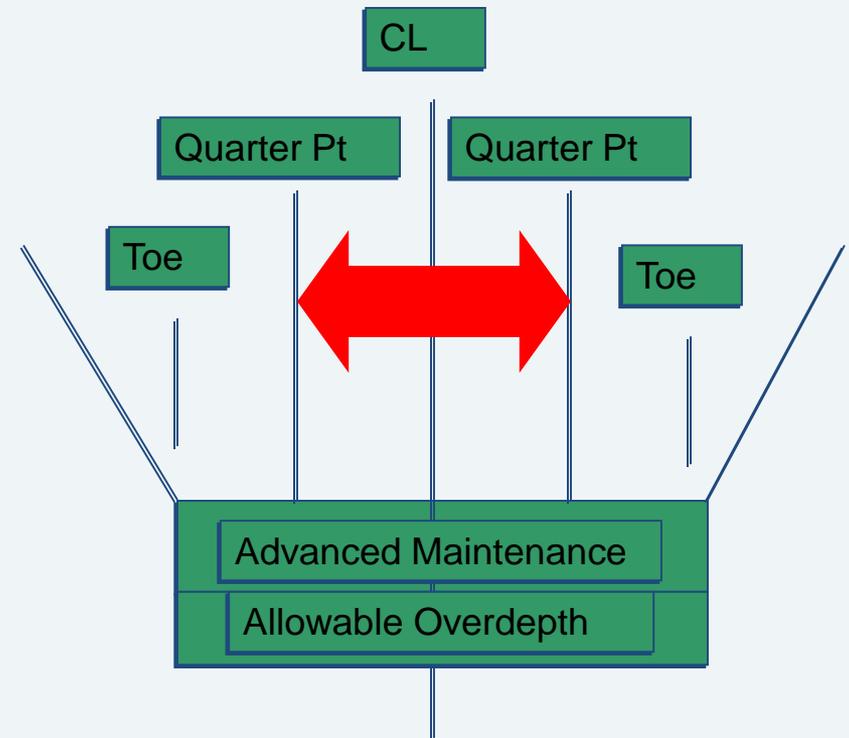
Coastal Navigation Channels

- **Basis: HMT funds maintenance dredging**
- **Data sources:**
 - **Corps: Channel condition surveys**
 - **Ports: Vessel restrictions – light load, wait for tide**
 - **Corps: Channel Portfolio Tool, number of ship transits at various depths**
- **Measure: Focus of today's webinar**
 - **A:**
 - **B:**
 - **C:**
 - **D:**
 - **F:**

Channel Condition Survey Approach

2007 Approach

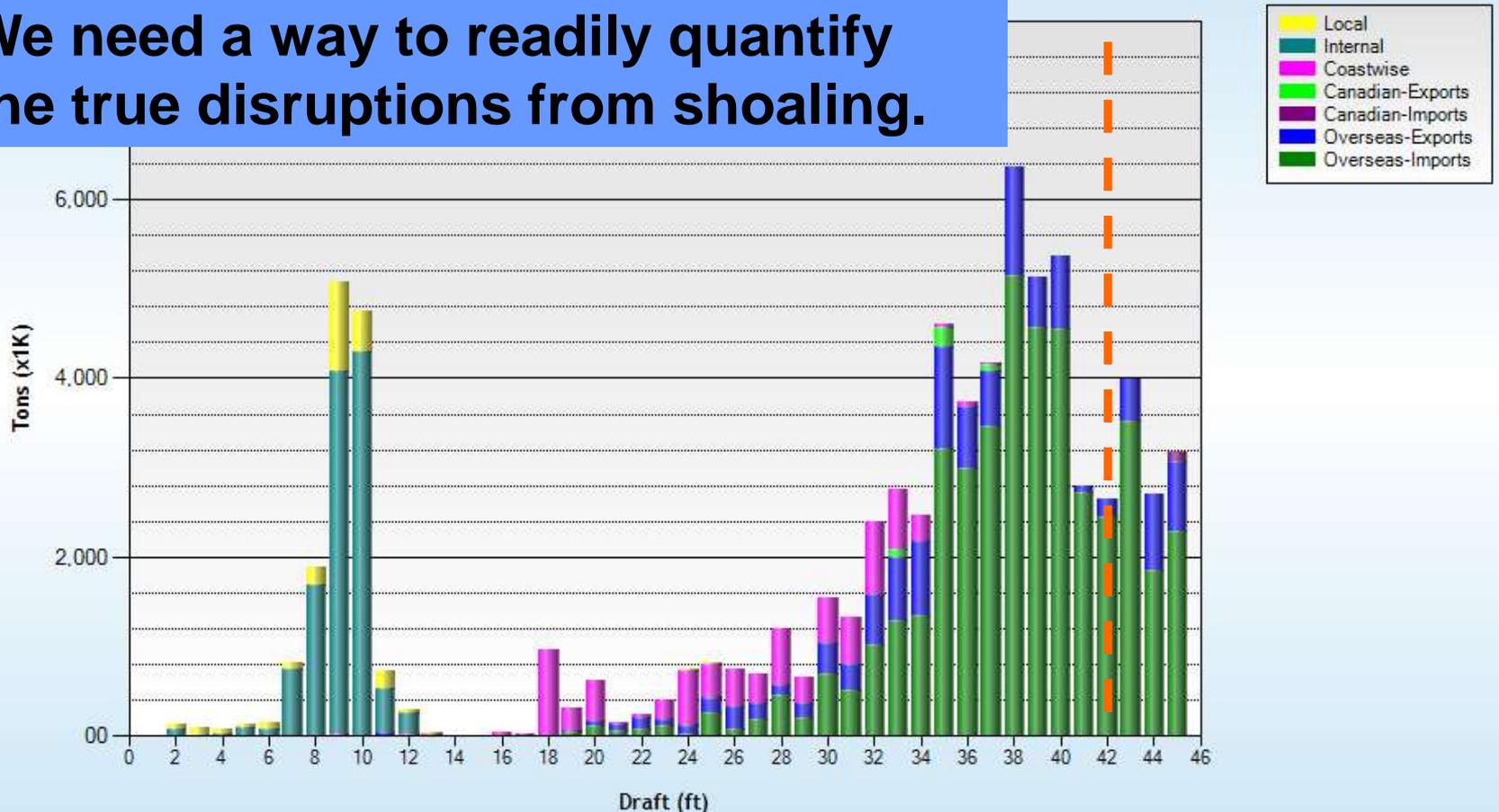
- Goal: Half channel width, 95% of time
- 2007: 35% of time
- Questions:
 - Over full project length?
 - How to address spur channels
 - How to address changes during the year?
- Evaluation result difficult to communicate to non-Nav people



Focus on Shoal-vulnerable Cargo

Cumulative Details Tons (Transit) for Corpus Christi Ship Channel 2008

We need a way to readily quantify the true disruptions from shoaling.



Navigation Channel Performance

- **CPT can identify ‘cargo at risk’**
 - **Tons**
 - **Vessel trips**
 - **Cargo value**
- **Example of grades**
- **A: 0 tons or vessel trips at risk**
- **B: 1-10% of tons or vessel trips at risk**
- **C: 11-20% of tons or vessel trips at risk**
- **D: 20-30% of tons or vessel trips at risk**
- **F: Over 30% of tons or vessel trips at risk**

Webinar Participant Views

- **Terms: Fully Maintained, Well Maintained, State of Good Repair**

Status Table, Draft

RANK	TYPE	State	PORT NAME	Channel CNS		DMPF
				Cond	Risk, 1-5	
1	Coastal	LA	South Louisiana, LA, Port of	5	2	20+
2	Coastal	TX	Houston, TX			20+
3	Coastal	NY/NJ	New York, NY and NJ			10-20
4	Coastal	TX	Beaumont, TX			
5	Coastal	CA	Long Beach, CA	4	10-20	
6	Coastal	TX	Corpus Christi, TX			20+
7	Coastal	LA	New Orleans, LA			220+
8	Coastal	LA	Baton Rouge, LA			220+
9	Coastal	AL	Mobile, AL	None		20+
10	Coastal	CA	Los Angeles, CA	4	10-20	
11	Coastal	LA	Lake Charles, LA	1	LT 10	
12	Coastal	LA	Plaquemines, LA, Port of			220+
13	Inland	OH	Cincinnati-Northern KY, Ports of			
14	Coastal	VA	Norfolk Harbor, VA			20+
15	Coastal	TX	Texas City, TX			
16	Inland	WV	Huntington - Tristate			
17	Inland	MO	St. Louis, MO and IL			
	Great					
18	Lakes	MN	Duluth-Superior, MN and WI		2	
19	Coastal	MD	Baltimore, MD			20+
20	Coastal	TX	Port Arthur, TX			20+
21	Coastal	FL	Tampa, FL			20+
22	Coastal	GA	Savannah, GA			120+
23	Inland	PA	Pittsburgh, PA			
24	Coastal	MS	Pascagoula, MS	None		20+
25	Coastal	AK	Valdez, AK		1	
26	Coastal	CA	Richmond, CA		1	
27	Coastal	VA	Newport News, VA			
28	Coastal	OR	Portland, OR	5	20+	
29	Coastal	WA	Tacoma, WA			120+
30	Coastal	FL	Port Everglades, FL			120+

55 Ports - 5 Inland

HIGH USE

86 Ports - 13 Inland

MODERATE

31	Coastal	WA	Seattle, WA			20+
32	Coastal	TX	Freeport, TX			1
33	Coastal	SC	Charleston, SC			1
34	Coastal	CA	Oakland, CA			1
35	Coastal	PA	Philadelphia, PA			
36	Coastal	NJ	Paulsboro, NJ			
	Great					
37	Lakes	IL	Chicago, IL			5 LT 10
38	Coastal	FL	Jacksonville, FL			2 20+
39	Coastal	MA	Boston, MA			1 20+
	Great					
40	Lakes	MN	Two Harbors, MN			3
41	Inland	TN	Memphis, TN			
42	Coastal	HI	Honolulu, HI			
	Great					
43	Lakes	MI	Detroit, MI			
44	Coastal	WA	Longview, WA			10-20
	Great					
45	Lakes	IN	Indiana Harbor, IN			5
	Great					
46	Lakes	OH	Cleveland, OH			5 LT 10
	Great					
47	Lakes	OH	Toledo, OH			1
48	Coastal	TX	Matagorda/Port Lavaca/Pt Comfort			20+
49	Coastal	PR	San Juan, PR			
50	Coastal	WA	Kalama, WA			
51	Coastal	PA	Marcus Hook, PA			
52	Coastal	TX	Galveston, TX			5
53	Coastal	NY	Albany, NY			
54	Coastal	HI	Barbers Point, Oahu, HI			1
55	Coastal	WA	Anacortes, WA			1

27 27

50

Channel Well Maint

70% CNS Well Maint (1-2), 19/27

70% DMPF Well Maint (10+) 20/27

73

Channel Well Maint

56% CNS Well Maint (1-2), 15/27

91% DMPF Well Maint (10+) 10/11

Next Steps

- **Terminology for the end performance level:**
 - **Fully Maintained**
 - **Well Maintained**
 - **State of Good Repair**
- **Complete the asset performance table**
- **Future effort: What would it cost to achieve the desired performance level?**
- **Establish a Rough Order of Magnitude (ROM) cost approach for each asset group to achieve the desired performance level**

Summary

- The goal: safe and efficient freight movement
- AAPA wants to see full HMT revenues provided directly to the Corps. To get there we need to:
 - Define a performance level
 - Agree on criteria for nav channels
 - Establish cost ranges to bring components up to satisfactory service
- Enabling maintenance of 21st century maritime infrastructure!



Thanks for all you do!