

## 2014 – Quite a Year!

- **January: State of the Union includes Ports**
- **July: Pres. Obama visits Port of Wilmington, Del.**
- **September: VP Biden visits Portsmouth Naval Ship yard, Maine and New Hampshire**
- **September: VP Biden visits Norfolk Harbor (TIGER)**
- **November: VP Biden addresses AAPA Convention**
- **December: Pres. Obama spoke of need for infrastructure investment, including ports, at end of year press conference.**



# WRRDA '14 Navigation Project Authorizations

America's 21<sup>st</sup> Century Infrastructure?

| Name                                       | Depth | Cost, \$ Million                |                |                |
|--|-------|---------------------------------|----------------|----------------|
|  |       | Federal                         | Non-Fed        | Total          |
| 1 Sabine Neches Waterway                   | 48    | \$748                           | \$366          | \$1,114        |
| 2 Jacksonville Hbr, Milepoint              | N/A   | \$28                            | \$9            | \$37           |
| 3 Savannah Harbor                          | 47    | \$492                           | \$214          | \$706          |
| 4 Freeport Harbor                          | 56    | \$121                           | \$118          | \$239          |
| 5 Canaveral Harbor                         | 46    | \$29                            | \$12           | \$41           |
| 6 Boston Harbor                            | 47    | \$216                           | \$95           | \$311          |
| 7 Lake Worth Inlet                         | 39    | \$58                            | \$31           | \$89           |
| 8 Jacksonville Harbor Deepen               | 47    | \$362                           | \$239          | \$601          |
| <b>TOTAL:</b>                              |       | <b>\$2,054</b>                  | <b>\$1,084</b> | <b>\$3,138</b> |
| <b>Pres FY15 Coastal Nav Const Budget:</b> |       | <b>\$97</b>                     |                |                |
| <b>Completion at FY15 budget level:</b>    |       | <b>yrs (w/no 21.2inflation)</b> |                |                |

# AAPA Views on FY16 Budget

- \$915 million for HMT same as FY15
  - No growth, no good
  - 47% of estimated FY15 HMT revenues
- Coastal Nav Construction at lowest level in at least 10 years
  - Only dredging 2 projects
  - Savannah Harbor and Grays Harbor
- Administration not walking the talk!

# Hit the HMT Target Campaign

Harbors and Navigation Committee

February 10, 2015

# WRRDA

- Signed into law May 2014
- Included incremental increases over the next 10 fiscal years, leading to full use in FY 2025
- Focus shifted from Authorizers (WRRDA) to Appropriators, FY 2015 Energy and Water Development appropriation

# WRRDA & Harbor Maintenance Tax

## HMT TARGETS

- 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%



# Actions

- ‘Dear Colleague’ Letters to Appropriations Committee leaders
  - House
  - Senate
- Navigation stakeholders letter – 400+

# Results

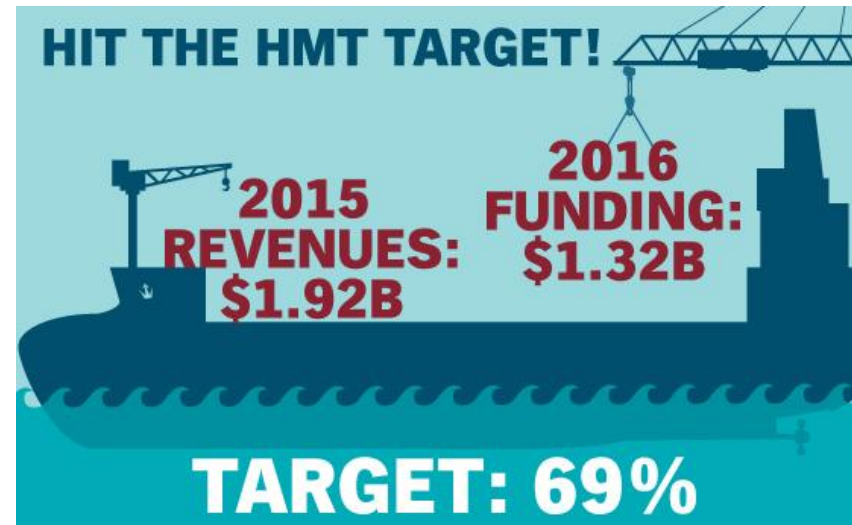
- House missed the target out of Committee but hit the target by a successful floor amendment
- Senate missed the target
- Conference committee
- Final Cromnibus was \$1.1 billion, \$70 million short (pre-Work Plan release)



# WRRDA & Harbor Maintenance Tax

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**FY16 HMT Target: \$1.25 B**

(\$1.812 B HMT x 69%)

Budget request: \$915 M

(\$405 M short)

(47% of Tax revenue)

# CORPS WORK PLAN

## Cromnibus and WRRDA Section 2102

- The Cromnibus included language in Section 105 stating “ The Secretary shall allocate funds made available in this Act solely in accordance with the provisions of this Act ...”
- Corps took this to mean that WRRDA Section 2102 cannot be used in the Corps FY 2015 Work Plan. The Corps used the historical distribution process.
- Impact: Great Lakes and Emerging Harbors will see some funding, but there is no commitment to meet the percentages established in Section 2102. Additionally expanded uses at donor ports will not be funded.

# WRRDA Sec. 2102 - Illustration of HMTF Allocations

**Target Budget Resources, FY15: \$1.2 B (est.)**

67% of FY14 HMT revenues (\$1.79 B est.); Increases 2-4% per year through FY24; full HMT revenues + interest in FY25

## 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: \$302 M**

(\$1.2 B - \$898 M = \$302 M)  
Not from other Civil Works business lines

**Equitable Distribution**

(min. 10% to Emerging Harbors)

**High & Moderate Use Projects**  
90% (\$272 M)

**Emerging Harbors Projects**  
10% (\$30 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% (\$30 M)

For Berth Dredging and Contaminated Sediment removal

**Great Lakes**  
min. 10% (\$30 M)

**Underserved**  
min. 5% (\$15 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.