U.S. Army Corps of Engineers
Navigation Program Update

For American Association of Port Authorities Harbors and Navigation Meeting

Jeffrey A. McKee
Chief, Navigation Branch
US Army Corps of Engineers

March 30, 2016
Corps Navigation Mission

Provide safe, reliable, efficient, effective and environmentally sustainable waterborne transportation systems for movement of commerce, national security needs, and recreation.
The United States Is A Maritime Nation
Inland Marine Transportation System + Ports Vital to U.S. Trade and National Economy

IMTS is a Distribution System for Coastal Ports...

- Nearly 12,000 miles 9 ft deep & more
- 171 lock sites / 207 chambers
- Moving over 600 million tons
- Carries 18% of Nation’s inter-city freight (by ton-mile) at a cost of 2/3 that of rail and 1/10 of truck

Million Tons
- Over 100
- 50 - 100
- 25 - 50
- 10 - 25
USACE Navigation Assets

**COASTAL NAVIGATION**
- 1,067 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
**CW Program/Budget Timeline**

<table>
<thead>
<tr>
<th>Calendar Year</th>
<th>FY 2014</th>
<th>FY 2015</th>
<th>FY 2016</th>
<th>FY 2017</th>
<th>FY 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fiscal Year</td>
<td>FY 14</td>
<td>FY 15</td>
<td>FY 16</td>
<td>FY 17</td>
<td>FY 18</td>
</tr>
</tbody>
</table>

**FY 16 PROGRAM**
- Develop
- Defend
- Execute

**FY 17 PROGRAM**
- Develop
- Defend
- Execute

**FY 18 PROGRAM**
- Develop
- Defend
- Execute

Budget Cycle = 32 Calendar Months

**Program Year**
- PY - 4
- PY - 3
- P - 2
- PY - 1
- PY

**FY = CFY + 2**

NOW
National Priorities for Budgeting

A. Provide for National Defense
B. Reduce the Deficit
C. Create Jobs and Restore the Economy
D. Improve Resiliency and Safety of Communities and Infrastructure
E. Restore and Protect the Environment
F. Maintain Global Competitiveness
G. Increase Energy Independence and Renewable Energy
H. Improve Quality of Life
I. Support Research and Innovation that leads to American Jobs and Industries

Navigation has a key role in all of these!
FY 17 Budget

- Budget is performance based.
- Focuses on highest performing projects and programs with high economic (BCR ≥ 2.5 @ 7%), environmental, and public safety returns to the nation.
- Emphasizes operation and maintenance of infrastructure to address critical needs and provide a reliable and resilient system.
- Provides a fiscally prudent investment in Nation’s water resources infrastructure making tough decisions to put the nation on a fiscally prudent path.
- Navigation focuses high risk to mission on high commercial use coastal harbors and channels with > 10 million tons of commerce; and inland and intracoastal waterways with > 3 billion ton-miles of commerce.
- 10% of HMTF to emerging harbors and Great Lakes.
## President’s Budgets
($millions)

<table>
<thead>
<tr>
<th>Pres Bud</th>
<th>Coastal</th>
<th>Inland</th>
<th>Nav</th>
<th>CW total</th>
<th>Nav Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 17</td>
<td>$1,017</td>
<td>$917</td>
<td>$1,934</td>
<td>$4,620</td>
<td>42%</td>
</tr>
<tr>
<td>FY 16</td>
<td>$973</td>
<td>$974</td>
<td>$1,947</td>
<td>$4,732</td>
<td>41%</td>
</tr>
<tr>
<td>FY 15</td>
<td>$991</td>
<td>$834</td>
<td>$1,825</td>
<td>$4,561</td>
<td>40%</td>
</tr>
<tr>
<td>FY 14</td>
<td>$980</td>
<td>$904</td>
<td>$1,884</td>
<td>$4,826</td>
<td>39%</td>
</tr>
<tr>
<td>FY 13</td>
<td>$967</td>
<td>$780</td>
<td>$1,747</td>
<td>$4,731</td>
<td>37%</td>
</tr>
<tr>
<td>FY 12</td>
<td>$832</td>
<td>$744</td>
<td>$1,575</td>
<td>$4,631</td>
<td>34%</td>
</tr>
<tr>
<td>FY 11</td>
<td>$873</td>
<td>$779</td>
<td>$1,652</td>
<td>$4,939</td>
<td>33%</td>
</tr>
<tr>
<td>FY 10</td>
<td>$971</td>
<td>$796</td>
<td>$1,767</td>
<td>$5,125</td>
<td>35%</td>
</tr>
<tr>
<td>FY 09</td>
<td>$969</td>
<td>$931</td>
<td>$1,900</td>
<td>$4,741</td>
<td>40%</td>
</tr>
</tbody>
</table>
## Navigation Budget by Account ($millions)

<table>
<thead>
<tr>
<th>Pres Bud Fiscal Yr</th>
<th>Investigations</th>
<th>Construction</th>
<th>O&amp;M</th>
<th>MR&amp;T</th>
<th>Total Nav</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 17</td>
<td>$22</td>
<td>$348</td>
<td>$1,527</td>
<td>$37</td>
<td>$1,934</td>
</tr>
<tr>
<td>FY 16</td>
<td>$25</td>
<td>$321</td>
<td>$1,563</td>
<td>$38</td>
<td>$1,947</td>
</tr>
<tr>
<td>FY 15</td>
<td>$22</td>
<td>$277</td>
<td>$1,487</td>
<td>$39</td>
<td>$1,825</td>
</tr>
<tr>
<td>FY 14</td>
<td>$23</td>
<td>$345</td>
<td>$1,461</td>
<td>$55</td>
<td>$1,884</td>
</tr>
<tr>
<td>FY 13</td>
<td>$25</td>
<td>$352</td>
<td>$1,326</td>
<td>$44</td>
<td>$1,747</td>
</tr>
<tr>
<td>FY 12</td>
<td>$18</td>
<td>$283</td>
<td>$1,237</td>
<td>$37</td>
<td>$1,575</td>
</tr>
<tr>
<td>FY 11</td>
<td>$19</td>
<td>$291</td>
<td>$1,297</td>
<td>$45</td>
<td>$1,653</td>
</tr>
<tr>
<td>FY 10</td>
<td>$19</td>
<td>$288</td>
<td>$1,411</td>
<td>$48</td>
<td>$1,767</td>
</tr>
<tr>
<td>FY 09</td>
<td>$20</td>
<td>$495</td>
<td>$1,346</td>
<td>$39</td>
<td>$1,900</td>
</tr>
</tbody>
</table>
## Coastal Navigation Budget

($\text{million}$)

<table>
<thead>
<tr>
<th>Pres Bud</th>
<th>Investigations</th>
<th>Construction</th>
<th>O&amp;M</th>
<th>MR&amp;T</th>
<th>Total Coastal</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 17</td>
<td>$14</td>
<td>$105</td>
<td>$896</td>
<td>$2</td>
<td>$1,017</td>
</tr>
<tr>
<td>FY 16</td>
<td>$18</td>
<td>$81</td>
<td>$872</td>
<td>$2</td>
<td>$973</td>
</tr>
<tr>
<td>FY 15</td>
<td>$17</td>
<td>$97</td>
<td>$875</td>
<td>$2</td>
<td>$991</td>
</tr>
<tr>
<td>FY 14</td>
<td>$16</td>
<td>$108</td>
<td>$853</td>
<td>$2</td>
<td>$980</td>
</tr>
<tr>
<td>FY13</td>
<td>$17</td>
<td>$151</td>
<td>$797</td>
<td>$2</td>
<td>$967</td>
</tr>
<tr>
<td>FY12</td>
<td>$7</td>
<td>$117</td>
<td>$706</td>
<td>$2</td>
<td>$832</td>
</tr>
<tr>
<td>FY11</td>
<td>$9</td>
<td>$115</td>
<td>$747</td>
<td>$2</td>
<td>$873</td>
</tr>
<tr>
<td>FY10</td>
<td>$16</td>
<td>$119</td>
<td>$834</td>
<td>$2</td>
<td>$971</td>
</tr>
</tbody>
</table>
## Inland Navigation Budget ($million)

<table>
<thead>
<tr>
<th>Pres Bud</th>
<th>Investigations</th>
<th>Construction</th>
<th>O&amp;M</th>
<th>MR&amp;T</th>
<th>Total Inland</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 17</td>
<td>$8</td>
<td>$243</td>
<td>$631</td>
<td>$34</td>
<td>$917</td>
</tr>
<tr>
<td>FY 16</td>
<td>$7</td>
<td>$240</td>
<td>$691</td>
<td>$36</td>
<td>$974</td>
</tr>
<tr>
<td>FY 15</td>
<td>$5</td>
<td>$180</td>
<td>$612</td>
<td>$37</td>
<td>$834</td>
</tr>
<tr>
<td>FY 14</td>
<td>$7</td>
<td>$237</td>
<td>$608</td>
<td>$53</td>
<td>$904</td>
</tr>
<tr>
<td>FY 13</td>
<td>$8</td>
<td>$201</td>
<td>$529</td>
<td>$42</td>
<td>$780</td>
</tr>
<tr>
<td>FY 12</td>
<td>$11</td>
<td>$166</td>
<td>$531</td>
<td>$35</td>
<td>$743</td>
</tr>
<tr>
<td>FY 11</td>
<td>$10</td>
<td>$176</td>
<td>$550</td>
<td>$43</td>
<td>$779</td>
</tr>
<tr>
<td>FY 10</td>
<td>$3</td>
<td>$170</td>
<td>$577</td>
<td>$47</td>
<td>$796</td>
</tr>
</tbody>
</table>
Additional FY 16 Funds for Navigation in Division D – E&WD, Omnibus Appropriations Act, 2016 ($millions)

- **Investigations**  
  - Navigation  
  - Coastal and Deep Draft  
  - Inland  
  - Small, Remote, or Subsidence  
  - Constructions

- **Investigations**  
  - Navigation  
  - Coastal and Deep Draft  
  - Inland  
  - Small, Remote, or Subsidence  
  - MR&T O&M Dredging

- **Construction**  
  - Navigation  
  - Inland Waterways Trust Fund  
  - Navigation Program (Section 107)  
  - MR&T O&M Dredging

- **Construction**  
  - Navigation  
  - Inland Waterways Trust Fund  
  - Navigation Program (Section 107)  
  - MR&T O&M Dredging
Additional FY 16 Funds for Navigation in Division D –
E&WD, Omnibus Appropriations Act, 2016 ($millions)

- **O&M** $391.53
  - Navigation $23.53
  - Deep Draft Harbor & Channel $250.0
  - Inland Waterways $45.0
  - Small, Remote, or Subsidence $48.0
  - Donor & Energy Transfer Ports $25.0

- **Total Additional Navigation Funding** ~$684

Navigation Challenges

- Constrained funding - can't maintain authorized/constructed channel dimensions and critical infrastructure
- Funding for low commercial use projects
- Increased cost of doing business
- Aging infrastructure
- Behind in channel depths
- Environmental Issues
  - Air and water quality requirements
  - Threatened, endangered, and invasive species
  - Dredging windows
The primary reason to pursue P3s is to achieve long-term efficiency gains in the delivery of infrastructure services, including potential significant cost savings.

Two National Objectives for P3:
- For Existing Infrastructure, Sustain Performance, Extend Service Life, and/or Buy Down Risk for the Nation
- New Infrastructure: Accelerate Delivery to Achieve Earlier Accrual of Project Benefits and Reduce Life Cycle Project Costs

Benefits of P3s:
- Faster delivery of infrastructure
- Efficiency gains from innovation; Life-cycle cost savings
- Incentive-driven management results in better service provision
- Single source of accountability
Stakeholders and Partnering

• Leverage Efforts
• Understand and communicate Civil Works Value to Nation
• Find consensus on Major Initiatives
  • Identify Funding to Reach Outcomes
  • Engage in Dialogue
• Be mutually supportive
• Shared Messages
• Involve & Engage End-Users
• Seek to Influence Decision-Makers
Navigation Message

- Navigation funding is essential for the Nation’s global trade and maintaining competitiveness
- America’s Marine Transportation System infrastructure must become a National priority in order to get adequate funding
- Need national commitment to shipping, global trade and navigation infrastructure
- Navigation funding is key to Economy, Jobs, and Exports!
QUESTIONS?

Jeffrey.a.mckee@usace.army.mil

202-761-8648