TOPICS

• FY 2016 Funding Approach by Navigation Supporters
• Results – Congressional Appropriations Status
• Channel Availability Initiative
• Preparing for FY 2016 and 2017
Freight Movement
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

<table>
<thead>
<tr>
<th></th>
<th>2016 Nav Stakeholders</th>
<th>2015 Cromaibus</th>
<th>2016 Pres Bud</th>
<th>Remarks</th>
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<tbody>
<tr>
<td>Coastal &amp; Inland Navigation Investigations</td>
<td>$50 M</td>
<td>$38 M</td>
<td>$25 M</td>
<td>Complete WRRDA studies in 3 years</td>
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<tr>
<td>Coastal Navigation Construction</td>
<td>$300 M</td>
<td>$184 M</td>
<td>$81 M</td>
<td>For WRRDA channel improvements</td>
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<td>Inland Navigation Construction</td>
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<td>$300 M</td>
<td>$240 M</td>
<td>Inland Waterway Trust Fund full use</td>
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<td>Coastal Navigation O&amp;M (Harbor Maintenance Tax)</td>
<td>$1.25 B</td>
<td>$1.12 B</td>
<td>$871* M</td>
<td>Hits WRRDA Target *Total HMT $915; $44 of Const is HMT</td>
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<td>$50 M</td>
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<td>$0</td>
<td>WRRDA Section 2106</td>
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<td>Inland Nav O&amp;M</td>
<td>$700 M</td>
<td>$661 M</td>
<td>$691 M</td>
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<tr>
<td>MS River &amp; Trib</td>
<td>$45 M</td>
<td>$45 M</td>
<td>$38 M</td>
<td>Construction &amp; O&amp;M</td>
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<tr>
<td>Total</td>
<td>$2.755 B</td>
<td>$2.348 B</td>
<td>$1.948 B</td>
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‘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!

2015 REVENUES: $1.81B
2016 FUNDING: $1.25B

$2.755B FY16 CORPS NAVIGATION PROGRAM
Essential dredging, maintenance, construction and studies for:
- Competitive ports
- Stronger infrastructure
- More U.S. jobs
- Economic growth

HIT THE TARGET: 69%

American Association of Port Authorities
Seaports Deliver Prosperity
www.aapa-ports.org
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 Aprops 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!

<table>
<thead>
<tr>
<th>Stakeholder</th>
<th>Stakeholder</th>
<th>Stakeholder</th>
<th>Stakeholder</th>
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<tr>
<td>AAPA</td>
<td>Y</td>
<td>WCI</td>
<td>Y</td>
</tr>
<tr>
<td>RAMP</td>
<td>Y</td>
<td>AWO</td>
<td>Y</td>
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<td>Gulf Ports</td>
<td>Y</td>
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<td>Y</td>
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<td>GICA</td>
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<td>LCA</td>
<td>Y</td>
<td>NAPA</td>
<td>Y</td>
</tr>
<tr>
<td>Great Lakes</td>
<td>Y</td>
<td>LABOR</td>
<td>Y</td>
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</table>
Results

• Stakeholders letter to Appropriations Committee leaders, 48 organizations

• 2 House ‘Dear Colleague’ letters, 86 and 26 Members

• Senate ‘Dear Colleague’ letter, 19 Senators
# FY 2016 Corps Navigation Funding Table

<table>
<thead>
<tr>
<th></th>
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<tr>
<td>Coastal &amp; Inland Navigation Investigations</td>
<td>$38 M</td>
<td>$25 M</td>
<td>$50 M</td>
<td>$31.5 M</td>
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<tr>
<td>Coastal Navigation O&amp;M (Harbor Maintenance Tax)</td>
<td>$1.12 B</td>
<td>$871* M</td>
<td>$1.25 B Incl. $40M to SLSDC &amp; CBP</td>
<td>$1.214B Hits HMT Target~</td>
<td>$1.214B (?)</td>
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<tr>
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<td>$0</td>
<td>$50 M</td>
<td>$0</td>
<td>$50 M</td>
<td></td>
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<tr>
<td>Inland Nav O&amp;M</td>
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<td>$691 M</td>
<td>$700 M</td>
<td>$733 M</td>
<td>$736 M</td>
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<td>MS River &amp; Trib</td>
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<td>$38 M</td>
<td>$45 M</td>
<td>$44 M</td>
<td>$44 M (?)</td>
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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
<table>
<thead>
<tr>
<th>Condition</th>
<th>Letter</th>
<th>Probability/Condition</th>
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<tbody>
<tr>
<td>GOOD</td>
<td>A</td>
<td>95% at Half Channel Availability at maintained Depth</td>
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<tr>
<td>MODERATE</td>
<td>B</td>
<td>75% at Half Channel Availability at maintained Depth</td>
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<tr>
<td>POOR</td>
<td>C</td>
<td>50% at Half Channel Availability at maintained Depth</td>
</tr>
<tr>
<td>FAILING</td>
<td>D</td>
<td>25% at Half Channel Availability at maintained Depth</td>
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<tr>
<td>FAILED</td>
<td>F</td>
<td>0% at Half Channel Availability at maintained Depth</td>
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* The percentage listed under the probability/condition listed above refers to the middle half channel availability
### Channel Width Availability (w/ Two Way Traffic)

<table>
<thead>
<tr>
<th>Channel Depth Restriction (Channels &gt;=30')</th>
<th>Channel Width Availability</th>
<th>0'</th>
<th>1'</th>
<th>2'</th>
<th>3'</th>
<th>&gt;=4'</th>
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<td>100%</td>
<td>25</td>
<td>23</td>
<td>20</td>
<td>16</td>
<td>11</td>
<td></td>
</tr>
<tr>
<td>90%</td>
<td>24</td>
<td>21</td>
<td>17</td>
<td>12</td>
<td>7</td>
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</tr>
<tr>
<td>75%</td>
<td>22</td>
<td>18</td>
<td>13</td>
<td>8</td>
<td>4</td>
<td></td>
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<tr>
<td>50%</td>
<td>19</td>
<td>14</td>
<td>9</td>
<td>5</td>
<td>2</td>
<td></td>
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<tr>
<td>&lt;50%</td>
<td>15</td>
<td>10</td>
<td>6</td>
<td>3</td>
<td>1</td>
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</table>

### Channel Width Availability (w/ One Way Traffic)

<table>
<thead>
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<th>Channel Width Availability</th>
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<th>1'</th>
<th>2'</th>
<th>3'</th>
<th>&gt;=4'</th>
</tr>
</thead>
<tbody>
<tr>
<td>100%</td>
<td>25</td>
<td>23</td>
<td>20</td>
<td>16</td>
<td>11</td>
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</tr>
<tr>
<td>95%</td>
<td>24</td>
<td>21</td>
<td>17</td>
<td>12</td>
<td>7</td>
<td></td>
</tr>
<tr>
<td>90%</td>
<td>22</td>
<td>18</td>
<td>13</td>
<td>8</td>
<td>4</td>
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</tr>
<tr>
<td>85%</td>
<td>19</td>
<td>14</td>
<td>9</td>
<td>5</td>
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<tr>
<td>80%</td>
<td>15</td>
<td>10</td>
<td>6</td>
<td>3</td>
<td>1</td>
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### Channel Depth Restriction (Channels <30')

<table>
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<th>Channel Width Availability</th>
<th>0.0%</th>
<th>4.0%</th>
<th>8.0%</th>
<th>12.0%</th>
<th>&gt;16%</th>
</tr>
</thead>
</table>
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
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

<table>
<thead>
<tr>
<th>Sheet Name</th>
<th>Reach Name</th>
<th>Reach Number</th>
<th>Depth</th>
<th>Left Outside Quarter</th>
<th>Left Inside Quarter</th>
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<tr>
<td>LOWER DESDEMONA SHOAL</td>
<td>Lower Desdemona Shoal</td>
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<td>43</td>
<td>45.0\100\6</td>
<td>47.0\100\6</td>
<td>48.0\100\6</td>
<td>50.0\100\6</td>
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<tr>
<td>UPPER DESDEMONA SHOAL</td>
<td>Upper Desdemona Shoal</td>
<td>1</td>
<td>43</td>
<td>42.0\86\6</td>
<td>44.0\100\6</td>
<td>43.0\100\6</td>
<td>40.0\0\6</td>
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<tr>
<td>FLAVEL BAR</td>
<td>Tansy Point Turn &amp; Range</td>
<td>1</td>
<td>43</td>
<td>39.0\12\9</td>
<td>42.0\87\9</td>
<td>43.0\100\9</td>
<td>34.0\0\9</td>
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<tr>
<td>UPPER SANDS</td>
<td>Tansy Point Turn &amp; Range</td>
<td>1</td>
<td>43</td>
<td>40.0\0\7</td>
<td>43.0\100\7</td>
<td>44.0\100\7</td>
<td>42.0\42\7</td>
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<tr>
<td>UPPER SANDS</td>
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<td>43</td>
<td>41.0\0\7</td>
<td>43.0\100\7</td>
<td>43.0\100\7</td>
<td>40.0\0\7</td>
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<tr>
<td>TONGUE POINT CROSSING</td>
<td>Tongue Point Channel</td>
<td>1</td>
<td>43</td>
<td>39.0\0\10</td>
<td>43.0\100\10</td>
<td>44.0\100\10</td>
<td>43.0\100\10</td>
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<tr>
<td>TONGUE POINT CROSSING</td>
<td>Harrington Point Range</td>
<td>2</td>
<td>43</td>
<td>39.0\32\10</td>
<td>41.0\90\10</td>
<td>42.0\69\10</td>
<td>36.0\0\10</td>
</tr>
</tbody>
</table>
AM Nav Channels

QUESTIONS?
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

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

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

Equitable Distribution (min. 10% to Emerging Harbors)

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

Emerging Harbors Projects
10% ($32 M)

Expanded Uses
min. 10% ($32 M)
For Berth Dredging and Contaminated Sediment removal

Great Lakes
min. 10% ($32 M)

Underserved
min. 5% ($16 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 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.

May 1, 2015
WRRDA Sec. 2106 - Donor and Energy Transfer Ports Distribution Example

Start: Did Congress Appropriate Funds for 2106?

Yes: Qualifying Ports* determine distribution between ‘use of funds’:

- Payment to Importer
- Berth Dredging
- Contaminated Sediment Removal
- Environmental Remediation

No: Did Congress appropriate programmatic funds?

Yes: Corps choose to use programmatic funds for 2106?

Yes: Port notifies Corps of distribution decision; Corps executes

No: No 2106 distribution

Port notifies Corps; Corps addresses w/Customs

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