

Corps Hopper Dredge Minimum Fleet - Determining an AAPA Position

Harbors and Navigation Committee

April 9, 2019

Corps Hopper Dredge Minimum Fleet

- WRDA 1978 established the transition to private sector hopper dredges
- Corps has 4 hopper dredges
 - **McFarland, 1966**
 - Wheeler, 1983
 - Essayons, 1982
 - Yaquina, 1983
- Replacement at some point – is that point approaching soon?

Terminology

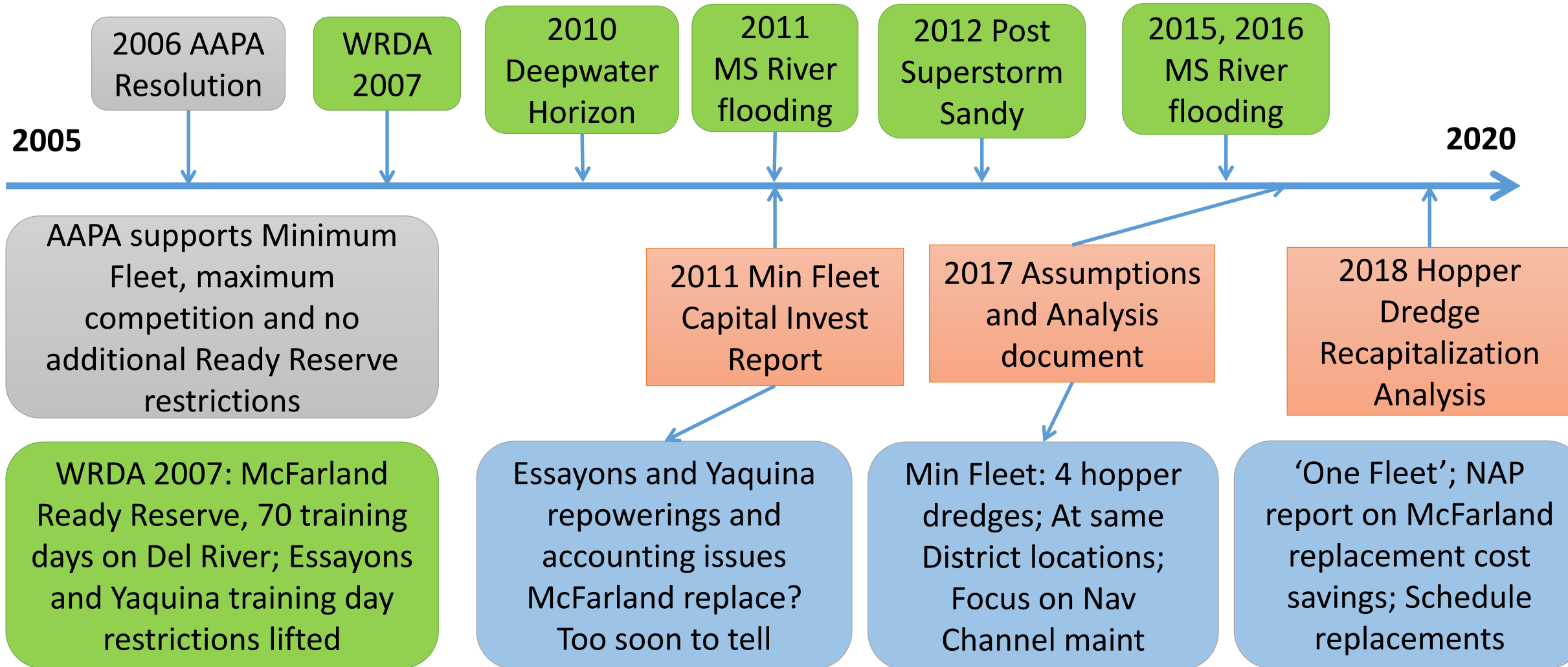
- Plant Replacement and Improvement Program (PRIP) is a revolving fund that pays for things like Corps dredges, other equipment and buildings
- Major Item New Start (MINS) – Corps submits request and Congressional appropriators approve (not authorization committee) for items over \$10 million

'Ready Reserve' Dredges

- Ready Reserve – WRDA '96: Wheeler; WRDA 2007: McFarland; each have 70 'training days' per year.
- Dredge Ownership and Operating Expenses paid through:
 - Training Days (70) – paid using the navigation project's O&M funds
 - Activation Days – paid using the navigation project's O&M funds; Unknown revenue – depends duration of activation(s)
- Ready Reserve Remaining Item funded by Congress for expenses while in non-dredging mode
 - McFarland \$11.69 million (FY 2018 and 2019)
 - Wheeler \$15.0 million (FY 2018 and 2019)

Timeline

Providing for 'surge' capacity



Congressional Actions in 2018

- Senate WRDA 2018 Section, Authorization of Appropriations for Purchase of Hopper Dredge (**offered but later struck**)
 - (a) In General.-There is authorized to be appropriated to the Secretary \$150,000,000 for the purchase of a hopper dredge.
 - (b) Use Of Hopper Dredge.-A hopper dredge purchased with funds under subsection (a) shall be used primarily in areas that have been consistently damaged by extreme weather events.
- Energy and Water Appropriations for FY 2019
 - SEC. 109. For fiscal year 2019, none of the funds provided in this Act or available in the revolving fund established by the Civil Functions Appropriations Act of 1954 (33 U.S.C. 576(a)) may be obligated or expended on a new hopper dredge.

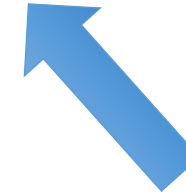
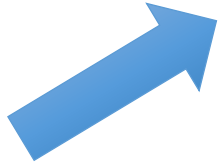
Dredge Construction Timeline

- Year 1 (2019): Congress approves the dredge in the upcoming fiscal year 2020 Energy and Water appropriation
- Year 2 (2020): Corps begins design
- Year 3 (2021): Corps completes design, advertises and awards construction contract; also orders long lead time equipment for the dredge
- Year 4 and 5 (2023): Contractor builds, sea trials, delivery of dredge
- Year 6 (2024): Dredge goes into service

Congress

Makes Informed Decision

'Best to work out differences before going to Congress!'



CORPS

Congress: Build now

- Law requires
- Mission essential
- Need exists
- Funds available
- Seek to proceed w/replacement

AAPA

Congress: ???

- Supports competition
- Timely dredging essential
- New dredge more productive at same/lower daily rate

DREDGING CONTRACTORS

Congress: Hold off

- Corps contract schedule issues
- MS River maintenance approach
- New dredges

H&N on Hopper Dredge Replacement

- January email seeking H&N feedback ahead of Jan LPC meeting

- Ports that responded (all supported replacement)

Lake Charles

Tampa

Houston

Port Manatee

Baltimore

Grays Harbor

Port Everglades

Calhoun

- Dredgers wanted to offer their perspective
- Basis of today's discussion

MS River Role

- Wheeler has 16 ready reserve activations between 2010 and 2018
- 14 of the 16 are for dredging MS River Southwest Pass
- McFarland has 10 ready reserve activations between 2010 and 2018
- 5 of the 10 are for dredging MS River Southwest Pass
- 19 of 26 activations (73%) are for MS River
- Corps reviewing approach to MS River maintenance dredging
- Report due summer 2019

Discussion