AAPA Harbors & Navigation Meeting

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Corps Navigation Mission

Provide safe, reliable, efficient, effective and environmentally sustainable waterborne transportation systems for movement of commerce, national security needs, and recreation.
Administration Objectives

- Double exports in 5 years
- Improve the environment
- Reduce Green House Gas (GHG) emissions
- Reduce fossil fuel consumption
- Navigation has a key role in all of these!
Where should we be?

• Supporting the President’s initiative to double exports over the next 5 years
• Preparing for new Panama Canal locks
• Postured for Environmental Improvement
  – Beneficial Uses of Dredged Material
  – Regional Sediment Management
• Investing in ports to maintain the US first tier trading status
Desired End State: Reliable and Resilient Marine Transportation System

• Achieved through:
  – Optimizing existing constrained resources
  – Making the compelling case for additional investments
    • Capital Investments for channel deepening, lock replacements and major rehabilitations
    • O&M for reliable maintenance; and preventative maintenance where justified
Coastal MTS

- Value of all foreign trade represents nearly 30% of nation’s GDP
- Overseas waterborne trade
  - 95% of overseas trade by volume
  - 75% of overseas trade by value
  - 16 million jobs
- About $2.3 trillion in economic activity
- Many coastal ports nearing capacity
- Cargo volumes in 2000 projected to double by 2020
- Already a generation behind in channel design – but West Coast in better shape
- Capacity constraints increase transportation costs, pollution, congestion
- Increased dredged material placement presents both a problem and opportunity
USACE Navigation Assets

INLAND NAVIGATION
27 Inland River Systems
207 lock chambers @ 171 lock sites
12,000 miles of inland river channels

COASTAL NAVIGATION
1067 Navigation Projects
19 lock chambers
13,000 miles of channels
929 navigation structures
844 bridges
U.S. Ports: Vital to Trade and Our National Economy

53 harbors – coastal, inland, Great Lakes - handled over 10 million tons each in 2010
# Navigation Funding – Pres Bud

<table>
<thead>
<tr>
<th></th>
<th>Coastal</th>
<th>Inland</th>
<th>Nav</th>
<th>CW total</th>
<th>Nav Percent</th>
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</thead>
<tbody>
<tr>
<td>FY 12</td>
<td>$832</td>
<td>$743</td>
<td>$1575</td>
<td>$4631</td>
<td>34</td>
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<tr>
<td>FY 11</td>
<td>$878</td>
<td>$780</td>
<td>$1658</td>
<td>$4939</td>
<td>34</td>
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<tr>
<td>FY 10</td>
<td>$971</td>
<td>$796</td>
<td>$1767</td>
<td>$5125</td>
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<tr>
<td>FY 09</td>
<td>$969</td>
<td>$931</td>
<td>$1900</td>
<td>$4741</td>
<td>40</td>
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<tr>
<td>FY 08</td>
<td>$957</td>
<td>$1052</td>
<td>$2009</td>
<td>$4871</td>
<td>41</td>
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</tbody>
</table>

Trend is declining funds
Navigation down 22% since FY 08.
Reductions masked by ARRA funding in FY09 and FY10
Flood Risk Management increasing due to Dam Safety
Environmental Restoration increasing
# FY 2012 Navigation Funding Accounts

<table>
<thead>
<tr>
<th></th>
<th>Navigation</th>
<th>Civil Works</th>
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</thead>
<tbody>
<tr>
<td><strong>Investigations</strong></td>
<td>$18 M</td>
<td>$104 M</td>
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<tr>
<td><strong>Construction</strong></td>
<td>$283 M</td>
<td>$1,480 M</td>
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<tr>
<td><strong>Operations &amp; Maintenance</strong></td>
<td>$1,237 M</td>
<td>$2,314 M</td>
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<tr>
<td><strong>Miss River &amp; Tributaries</strong></td>
<td>$37 M</td>
<td>$210 M</td>
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<tr>
<td><strong>Other</strong></td>
<td>$0 M</td>
<td>$523 M</td>
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<tr>
<td><strong>TOTAL:</strong></td>
<td>$1,575 M</td>
<td>$4,631 M</td>
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</table>
Major Cost Issues

• Dredging, Construction, and O&M Costs Increasing – fuel, steel, labor
• Dredged Material Placement Capacity Decreasing – Costs Increasing
• Environmental ‘Windows’: Increasing restrictions on when dredging can be performed
• Asset Management and Risk Informed decision making used to prioritize constrained funding
Opportunities

• Investigations
  – USACE Planning Reset
  – National Pilot Program
  – Section 203, WRDA 1986

• Construction
  – Advance Funds
  – Section 204, WRDA 1986

• Operation & Maintenance
  – Non-Federal Sponsor Contributed Funds
Summary

- Navigation funding is an essential component for the Nation’s Global trade
  - HMTF needed for future channel maintenance
  - IWTF needed for future recapitalization of inland navigation locks and dams
- America’s Marine Transportation System infrastructure must become a National priority in order to get adequate funding
- Need senior Administration discussion on national commitment to shipping, global trade and navigation infrastructure