Waterside Infrastructure Challenges

AAPA Executive Management Conference
Hope Moorer
May 7, 2015
Issues

Funding
• Construction Projects
• Maintenance

Environmental
• Regulations
• Opposition
Ports Must Prepare for Larger Vessels

Deepening Process

Study request new in WRRDA
Congress authorizes study
Corps Chief Report makes a recommendation to Congress
Congress authorizes, normally in a WRRDA
Congress appropriates federal shares of funds to construct
Deeper Water: Corps projects in process

- Average length of study – 17 years
- Corps 3 x 3 x 3 initiative
- Deep Draft Navigation Center of Expertise
- Ports paying for projects themselves
- Other projects – Boston, Delaware River, Houston, Mobile, Norfolk

Source: American Shipper BlueWater Reporting & Carrier Websites February 2015
SAVANNAH HARBOR EXPANSION PROJECT (SHEP) MILESTONES

- **Reconnaissance Study** completed 1996.
- **Conditional Authorization** in WRDA 1999.
- **Final Cooperating Agency approvals** July 2012.
- **Supplement Chief’s Report** in August 2012.
- **Record of Decision** issued October 2012.
- **Successful mediation** with South Carolina and environmental interests in May 2013.
- **Final Project Permits** issued in July 2013.
- **Total Project Cost updated** to $706 Million in March 2014.
- **Water Resources Reform and Development Act (WRRDA)** signed into law by the President on June 11, 2014. 902 fix for project.
- **Project Partnership Agreement** signed Oct 2014.
- **First Construction Contract awarded** Oct 2014.
WRRDA
Water Resources and Reform Development Act

• First WRRDA Bill passed since 2007
• Authorization Bill – 8 navigation channel improvement projects
• Continues with Corps reform mandates
• Chief’s Report to be completed within 3 years
• Expands use of HMTF with a new funds distribution approach
• Includes funding for expanding uses at donor ports, emerging harbors, underserved and Great Lakes ports
• Establishes incremental targets over 10 year period with full use of the HMTF in 2025
Maintenance and Modernization of Federal Channels

FY15 Appropriations

- 85% Maintenance
- 14% Construction
- 1% Investigations

Cost-shared Funding
- Studies shared 50/50
- Construction variable cost share, most are 50/50
- Maintenance: 100% user funded via Harbor Maintenance Tax
## WRRDA ‘14 Navigation Project Authorizations

<table>
<thead>
<tr>
<th>Name</th>
<th>Depth</th>
<th>Federal</th>
<th>Non-Fed</th>
<th>Total</th>
</tr>
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<tbody>
<tr>
<td>Sabine Neches Waterway</td>
<td>48</td>
<td>$748</td>
<td>$366</td>
<td>$1,114</td>
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<tr>
<td>Jacksonville Harbor Deepen</td>
<td>47</td>
<td>$362</td>
<td>$239</td>
<td>$601</td>
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<tr>
<td>Savannah Harbor</td>
<td>47</td>
<td>$492</td>
<td>$214</td>
<td>$706</td>
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<tr>
<td>Freeport Harbor</td>
<td>56</td>
<td>$121</td>
<td>$118</td>
<td>$239</td>
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<tr>
<td>Canaveral Harbor</td>
<td>46</td>
<td>$29</td>
<td>$12</td>
<td>$41</td>
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<tr>
<td>Boston Harbor</td>
<td>47</td>
<td>$216</td>
<td>$95</td>
<td>$311</td>
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<tr>
<td>Lake Worth Inlet</td>
<td>39</td>
<td>$58</td>
<td>$31</td>
<td>$89</td>
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<tr>
<td>Jacksonville Hbr, Milepoint</td>
<td>N/A</td>
<td>$28</td>
<td>$9</td>
<td>$37</td>
</tr>
<tr>
<td><strong>TOTAL:</strong></td>
<td></td>
<td>$2,054</td>
<td>$1,084</td>
<td>$3,138</td>
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</tbody>
</table>

Pres FY16 Coastal Nav Const Budget: $81

Completion at FY16 budget level: 25.4 yrs (w/no inflation)
Channel Maintenance Dredging

Federal Channel Maintenance

• Insufficient funding – Harbor Maintenance Tax; channel restrictions

• WRRDA 2014
  o 10-year incremental increases leading to full use of revenues
  o New funding distribution approach
  o HMT donor port equity

• ‘Hit the HMT Target!’ campaign
PORT OF BRUNSWICK

O&M Dredging Challenges

2007 - Deepened to -36’

1 - Number of years since ‘07 that maintenance dredging has been sufficiently funded

2 – Number of times (2014 & 2015) the GPA has “contributed” $3 Million for dredging

$5.8 million – FY’16 budget recommendation, better than current year, but not sufficient to correct current deficiency
## Harbor Maintenance Tax Collections by Port

Estimated HMT by Customs Port for FY 2013

*Source WCSC Trade Based data sets

<table>
<thead>
<tr>
<th>CUSTOMS PORT NAME</th>
<th>VALUE of IMPORTS</th>
<th>ESTIMATED HMT</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 LOS ANGELES, CA</td>
<td>$164,404,405,591</td>
<td>$205,505,507</td>
</tr>
<tr>
<td>2 NEW YORK, NY/NJ</td>
<td>$143,923,166,327</td>
<td>$179,903,958</td>
</tr>
<tr>
<td>3 LONG BEACH, CA</td>
<td>$143,544,047,334</td>
<td>$179,430,059</td>
</tr>
<tr>
<td>4 HOUSTON, TX</td>
<td>$73,566,145,958</td>
<td>$91,957,682</td>
</tr>
<tr>
<td>5 SAVANNAH, GA</td>
<td>$41,491,505,135</td>
<td>$51,864,381</td>
</tr>
<tr>
<td>6 CHARLESTON, SC</td>
<td>$39,470,394,385</td>
<td>$49,337,993</td>
</tr>
<tr>
<td>7 TACOMA, WA</td>
<td>$39,343,675,421</td>
<td>$49,179,594</td>
</tr>
<tr>
<td>8 NORFOLK, VA</td>
<td>$36,061,598,631</td>
<td>$45,076,998</td>
</tr>
<tr>
<td>9 BALTIMORE, MD</td>
<td>$30,803,664,329</td>
<td>$38,504,580</td>
</tr>
<tr>
<td>10 OAKLAND, CA</td>
<td>$26,592,778,927</td>
<td>$33,240,974</td>
</tr>
<tr>
<td>11 BEAUMONT, TX</td>
<td>$25,357,099,771</td>
<td>$31,696,375</td>
</tr>
<tr>
<td>12 SEATTLE, WA</td>
<td>$21,116,504,259</td>
<td>$26,395,630</td>
</tr>
<tr>
<td>13 PHILADELPHIA, PA</td>
<td>$17,614,120,331</td>
<td>$22,017,650</td>
</tr>
<tr>
<td>14 NEW ORLEANS, LA</td>
<td>$16,443,640,083</td>
<td>$20,554,550</td>
</tr>
<tr>
<td>15 CORPUS CHRISTI, TX</td>
<td>$15,169,356,234</td>
<td>$18,961,695</td>
</tr>
<tr>
<td>16 MIAMI, FL</td>
<td>$14,320,871,145</td>
<td>$17,901,089</td>
</tr>
<tr>
<td>17 BRUNSWICK, GA</td>
<td>$13,893,485,283</td>
<td>$17,366,857</td>
</tr>
<tr>
<td>18 TEXAS CITY, TX</td>
<td>$13,258,526,907</td>
<td>$16,573,159</td>
</tr>
<tr>
<td>19 LAKE CHARLES, LA</td>
<td>$13,036,711,498</td>
<td>$16,295,889</td>
</tr>
<tr>
<td>20 JACKSONVILLE, FL</td>
<td>$10,808,345,080</td>
<td>$13,510,431</td>
</tr>
<tr>
<td>21 PORT ARTHUR, TX</td>
<td>$10,353,967,219</td>
<td>$12,942,459</td>
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$2.755 billion for 2016 Corps Navigation Program

<table>
<thead>
<tr>
<th>Stakeholders</th>
<th>2016 Nav</th>
<th>2015 Cromnibus</th>
<th>2016 Pres Bud</th>
<th>Remarks</th>
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</thead>
<tbody>
<tr>
<td>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>
</tr>
<tr>
<td>Coastal Navigation Construction</td>
<td>$300 M</td>
<td>$184 M</td>
<td>$81 M</td>
<td>For WRRDA channel improvements</td>
</tr>
<tr>
<td>Donor &amp; Energy Transfer Ports</td>
<td>$50 M</td>
<td>$0</td>
<td>$0</td>
<td>WRRDA Section 2106</td>
</tr>
<tr>
<td>Inland Navigation Construction</td>
<td>$360 M</td>
<td>$300 M</td>
<td>$240 M</td>
<td>Inland Waterway Trust Fund full use</td>
</tr>
<tr>
<td>Inland Nav O&amp;M</td>
<td>$700 M</td>
<td>$661 M</td>
<td>$691 M</td>
<td></td>
</tr>
<tr>
<td>Nav Investigations</td>
<td>$50 M</td>
<td>$38 M</td>
<td>$25 M</td>
<td>Complete WRRDA studies in 3 years</td>
</tr>
<tr>
<td>MS River &amp; Trib</td>
<td>$45 M</td>
<td>$45 M</td>
<td>$38 M</td>
<td></td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>$2.755 B</strong></td>
<td><strong>$2.348 B</strong></td>
<td><strong>$1.948 B</strong></td>
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</tbody>
</table>
‘Nav 1 Number’ Graphics

- $2.76 billion for the Corps Navigation program
- Collaboration with inland waterways user groups
- Simple, straightforward message like the ‘Hit the HMT Target!’ campaign
- Build and maintain 21st century US infrastructure
- US Jobs and Economic Growth!
Waterways - Federal Agencies

Corps of Engineers
Dredging, Funding, Environmental and Regulatory

Coast Guard
Aids to Navigation, Marine Safety, Disaster Recovery

NOAA
Mapping and Charting, PORTS program
Environmental Concerns

Air Emissions
- EPA’s DERA Grant Program
  - Clean Truck, Yard Equipment Retrofit, and Rail
- MARPOL Annex VI
- Alternative fuels
- CMAQ/Other grant money

Water issues
- Ballast Water Regulation
- Stormwater Discharge

Dredging
- Environmental Windows
- Disposal Site Availability
- Speed restrictions – Right Whales
47’ NED Selected Plan

Project Information
- Deepen from 42’ to 47’ NED selected plan
- $652M Total First Cost (FY 12 Price Levels)
- $311M Total Mitigation Cost
- 71% Federal 29% Non-Federal Cost Share:
  - $174M Annual Net Benefits
- Benefits Derived From Increased Transportation Efficiencies
  - 5.5:1 @ 4% (discount rate) and 3.8:1 @ 7% (budget rate)
  - Benefit to Cost Ratio

Monitoring & Adaptive Management
Implementing adaptive management features and post-construction monitoring shows them to be needed

Value to the Nation
- 4th largest container port in US
- 2nd largest container port on East Coast
- Largest single terminal operation in North America
- Fastest growing container port in the Nation for the last 10 years
- 2.92M TEU through-put in 2011
- Supports in GA over 352,000 jobs, $18.5B in income and $2.5B in state and local taxes annually
- Supports in SC over 19,500 jobs, $959M in income, $147M in state and local taxes annually
- $66.9B in GA revenue (9% of GA total sales) annually
- $4.3B in SC revenue (1.3% of SC total sales) annually
THANK YOU