USACE Navigation Program

AAPA Harbors and Navigation Meeting
Oxnard, CA

Jeff McKee
Navigation Branch
HQUSACE

January 15, 2013
Corps Navigation Mission

Provide safe, reliable, efficient, effective and environmentally sustainable waterborne transportation systems for movement of commerce, national security needs, and recreation.
The U.S. Navigation System
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
Current Infrastructure Situation

- Channels and harbors are not maintained to authorized dimensions.
- Much of our economic and physical security and quality of life depends on infrastructure that is wearing out faster than it is being replaced or rehabilitated.
- Decreasing reliability of locks and other navigation infrastructure impedes transportation of goods.
- A direct relationship exists between increasing age and increasing needs for maintenance, rehabilitation, replacement and repurposing.
- 21st Century needs are different or greater than those of the last century.
Coastal Navigation Channel Performance

- High Use Projects, >10M tons/year
- Goal: Half channel width, 95% of time
- Actual: 35% of time

Analogy to building a 2-lane road; Present funding allows one lane, one-third of the year
## 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>
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<tbody>
<tr>
<td>FY13</td>
<td>$967</td>
<td>$780</td>
<td>$1,747</td>
<td>$4,731</td>
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<td>FY12</td>
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<td>$744</td>
<td>$1,575</td>
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<tr>
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<td>$931</td>
<td>$1,900</td>
<td>$4,741</td>
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<tr>
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<td>$957</td>
<td>$1052</td>
<td>$2,009</td>
<td>$4,900</td>
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## Navigation Budget by Appropriation ($millions)

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Investigations</th>
<th>Construction</th>
<th>O&amp;M</th>
<th>MR&amp;T</th>
<th>Total Nav</th>
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<tbody>
<tr>
<td>FY 13</td>
<td>$25</td>
<td>$352</td>
<td>$1,326</td>
<td>$44</td>
<td>$1,747</td>
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<tr>
<td>FY 12</td>
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<td>$283</td>
<td>$1,237</td>
<td>$37</td>
<td>$1,575</td>
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<tr>
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<td>$291</td>
<td>$1,297</td>
<td>$45</td>
<td>$1,652</td>
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<tr>
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<td>$1,411</td>
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<tr>
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<td>$1,346</td>
<td>$39</td>
<td>$1,900</td>
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<tr>
<td>FY 08</td>
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<td>$572</td>
<td>$1,383</td>
<td>$35</td>
<td>$2,009</td>
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<tr>
<td></td>
<td>Investigations</td>
<td>Construction</td>
<td>O&amp;M</td>
<td>MR&amp;T</td>
<td>Total Nav</td>
</tr>
<tr>
<td>-------------</td>
<td>----------------</td>
<td>--------------</td>
<td>---------</td>
<td>------</td>
<td>-----------</td>
</tr>
<tr>
<td>Pres Bud</td>
<td>$25</td>
<td>$352</td>
<td>$1,326</td>
<td>$44</td>
<td>$1,747</td>
</tr>
<tr>
<td>House</td>
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<td>$359</td>
<td>$1,469</td>
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<td>$1,893</td>
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<td>Senate</td>
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<td>$1,351</td>
<td>$47</td>
<td>$1,872</td>
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</table>
### FY13 O&M Budget

#### Coastal Navigation

<table>
<thead>
<tr>
<th>Category</th>
<th>Inventory</th>
<th>Commerce</th>
<th>FY13 O&amp;M Projects</th>
<th>FY13 O&amp;M Funds</th>
<th>FY12 O&amp;M Proj.</th>
<th>FY12 O&amp;M Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>High Use</td>
<td>59</td>
<td>90%</td>
<td>56</td>
<td>66%</td>
<td>54</td>
<td>62%</td>
</tr>
<tr>
<td>Moderate Use</td>
<td>100</td>
<td>9%</td>
<td>52</td>
<td>19%</td>
<td>61</td>
<td>25%</td>
</tr>
<tr>
<td>Low Use</td>
<td>908</td>
<td>1%</td>
<td>63</td>
<td>5%</td>
<td>41</td>
<td>6%</td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td></td>
<td></td>
<td>10%</td>
<td></td>
<td>7%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1067</strong></td>
<td><strong>100%</strong></td>
<td><strong>171</strong></td>
<td><strong>100%</strong></td>
<td><strong>156</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

- High Use > 10 M tons/yr, Moderate 1 -10 M tons/yr, Low < 1 M tons/yr
- Prior to FY12 we adjusted to budget decreases by minor reductions at almost all nav projects.
- The low use category was proposed as a program for 50% reduction in the FY12 budget development; This was a 50% dollar reduction, not a 50% projects reduction
- ‘Other’ includes Nav R&D, Project Condition Surveys, Remaining Items, etc.
## FY13 O&M Budget
### Inland Navigation

<table>
<thead>
<tr>
<th>Category</th>
<th>Rivers/ Waterways</th>
<th>IWTF Locks</th>
<th>Commerce Ton-Miles</th>
<th>FY13 O&amp;M</th>
<th>FY12 O&amp;M</th>
<th>FY11 O&amp;M</th>
</tr>
</thead>
<tbody>
<tr>
<td>High Use</td>
<td>5</td>
<td>79</td>
<td>95%</td>
<td>72%</td>
<td>66%</td>
<td>66%</td>
</tr>
<tr>
<td>Moderate Use</td>
<td>6</td>
<td>49</td>
<td>4%</td>
<td>21%</td>
<td>27%</td>
<td>23%</td>
</tr>
<tr>
<td>Low Use</td>
<td>16</td>
<td>45</td>
<td>1%</td>
<td>7%</td>
<td>7%</td>
<td>11%</td>
</tr>
<tr>
<td>Total</td>
<td>27</td>
<td>173</td>
<td>100%</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- Low commercial use projects took a 50% reduction in FY12 budget.
- High Use > 3 B ton-miles/yr, Moderate 1 – 3 B ton-miles/yr, Low < 1 B ton-miles/yr
Funding Uncertainty

- FY 2013 Appropriations
  - Operating under a Continuing Resolution through March 2013
  - Appropriation?
  - Year-long Continuing Resolution?
- Fiscal Cliff?
- Sequestration?
- Debt Ceiling?
- Supplemental Appropriations
  - Hurricane Sandy?
  - Drought?
- FY 2014 Budget?
Navigation Coastal Funding Needs

- Estimated $1.5 B needed annually over 5 years to restore authorized dimensions for high and moderate commercial use coastal channels and harbors
- Additional $500 M needed annually for low commercial use projects
- Estimated $1.2 B needed annually after that to maintain authorized dimensions for high and moderate commercial use coastal channels and harbors
- Additional $300 M needed annually for low commercial use projects
Supplemental Appropriations for Disaster Assistance

- **House**
  - House - Restricted to damages from Sandy
  - Senate – Available for Presidential Disaster Declaration

- **Senate (Hurricanes Sandy & Isaac)**
  - Investigations - $50 M - Flood Risk
  - Construction - $3.461 B – Flood Risk
  - O&M - $821 M Dredging & damages nation-wide
  - FCCE - $1.008 B
  - Expenses - $10 M
Supplemental Appropriations for Disaster Assistance

- **Drought**
  - No Supplemental at this time
  - Significant costs on Mississippi River funded in lieu of originally budgeted work
  - Great Lakes levels below Great Lakes International Datum 0.5 ft in Lake Superior, 1-1.5 ft in Lakes Michigan & Huron & forecasted to go lower over next few months.
Harbor Maintenance Trust Fund

- Established in WRDA 1986
- Ad valorem tax of .125% on cargo value
- HM Tax collected on imports and domestic cargo
- Reimburses Treasury for 100% of harbor O&M since 1990, and DMPFs, Beneficial Use, Sand Mitigation
- Also supports St. Lawrence Seaway operations, Customs data collection (~$36 M/yr)
- Revenue:
  - FY 12 Revenues $1.65 B
  - FY 12 Reimbursements $913 M
  - Increasing balance - $7.2 billion at end FY 12
Moving Ahead for Progress in the 21st Century (MAP 21)

- Enacted July 6, 2012
- Section 1536 - Sense of Congress on HMTF:
  - Administration should request full use of HMTF
  - HMTF should be fully expended
  - Congress should ensure that other programs, projects, and activities of the Corps Civil Works Program are not adversely impacted
- Requires increase in E&WDA Act or redistribution between Federal agencies
- Not binding on Congress or Administration
Outlook

- How should Congress address the critical need for additional port and inland waterway modernization?
- WRDA 2013?
- Public-Private Partnerships, Innovative financing?
- White House Navigation Task Force and National Exports Initiative
- National Freight Policy?
  - Coastal and Inland navigation
  - Intermodal considerations
  - Urgency of resolving the Harbor Maintenance and Inland Waterways Trust Funds issues
- Drought attention at high levels, but no funding as yet
Summary

- Navigation funding is an essential component for the Nation’s Global trade
- HMTF needed for future channel maintenance
- 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!