

USACE Navigation Program

*CMANC Meeting
San Pedro, CA*

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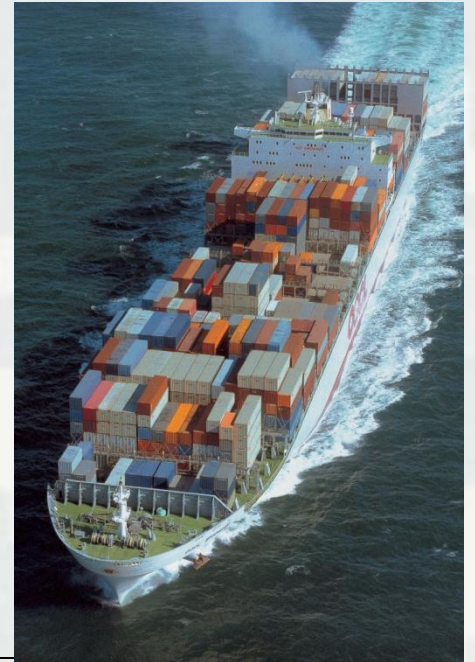


US Army Corps of Engineers
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Corps Navigation Mission

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



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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



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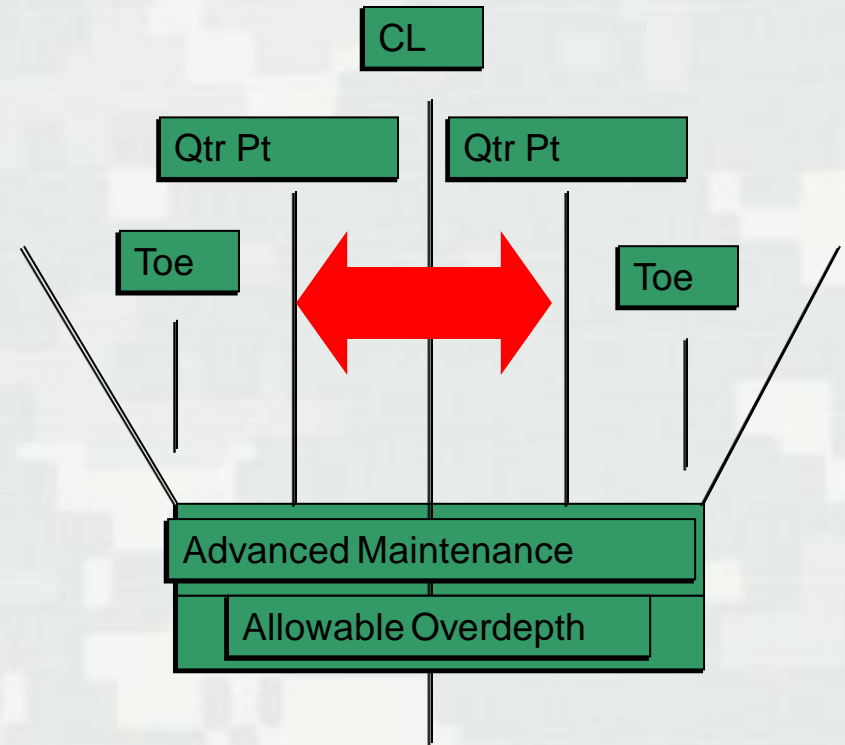
Current Infrastructure Situation

- 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)

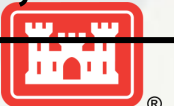
Pres Bud	Coastal	Inland	Nav	CW total	Nav Percent
FY13	\$967	\$780	\$1,747	\$4,731	37
FY12	\$832	\$744	\$1,575	\$4,631	34
FY11	\$873	\$779	\$1,652	\$4,939	33
FY10	\$971	\$796	\$1,767	\$5,125	35
FY09	\$969	\$931	\$1,900	\$4741	40
FY08	\$957	\$1052	\$2,009	\$4,900	41



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Navigation Budget by Appropriation (\$millions)

Pres Bud Fiscal Year	Investigations	Construction	O&M	MR&T	Total Nav
FY 13	\$25	\$352	\$1,326	\$44	\$1,747
FY 12	\$18	\$283	\$1,237	\$37	\$1,575
FY 11	\$19	\$291	\$1,297	\$45	\$1,652
FY 10	\$19	\$288	\$1,411	\$48	\$1,767
FY 09	\$20	\$495	\$1,346	\$39	\$1,900
FY 08	\$19	\$572	\$1,383	\$35	\$2,009



FY 13 Navigation by Account (\$millions)

	Investigations	Construction	O&M	MR&T	Total Nav
Pres Bud	\$25	\$352	\$1,326	\$44	\$1,747
House	\$22	\$359	\$1,469	\$43	\$1,893
Senate	\$36	\$438	\$1,351	\$47	\$1,872



FY13 O&M Budget Coastal Navigation

Category	Inventory	Commerce	FY13 O&M Projects	FY13 O&M Funds	FY12 O&M Proj.	FY12 O&M Funds
High Use	59	90%	56	66%	54	62%
Moderate Use	100	9%	52	19%	61	25%
Low Use	908	1%	63	5%	41	6%
Other				10%		7%
Total	1067	100%	171	100%	156	100%

- 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

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

- 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



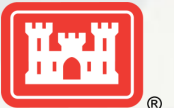
Funding Uncertainty

- FY 2013 Appropriations
 - ▶ Operating under a Continuing Resolution through March 27, 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

- Hurricane Sandy - Senate & House bills
 - ▶ Focus is on Flood Risk Management projects
 - ▶ House - Restricted to damages from Sandy
 - ▶ Senate – Applies to Sandy & Isaac – some for Presidential Declaration nation-wide
 - ▶ Investigations - \$50 M - Flood Risk
 - ▶ Construction - \$3.461 B – Flood Risk
 - ▶ O&M - \$821 M Dredging & damages nation-wide
 - ▶ FCCE - \$1.008 B – Flood Risk
 - ▶ 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



Harbor Maintenance Trust Fund

- Realize America's Maritime Promise (RAMP)
- American Waterworks Act
- Bills did not pass and must be reintroduced in new Congress
- WRDA 2013



Outlook

- Need to 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!

