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Infrastructure Investment How Much Do You Need?

WEDA Eastern Chapter

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Key Points

- Corps Navigation Program Funding
- 2017 Legislation Opportunities
- Estimates

Corps Navigation Funding Advocacy



NAVIGATION STAKEHOLDERS NEED \$2.9B FY18 CORPS NAVIGATION PROGRAM

Ports and Inland Waterways Are Critical for Creating American Jobs, Propelling the Economy, and Keeping America Moving.

AMERICA: KEEP IT MOVING

FROM NAVIGATION COALITION
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We Urge Congress to Support \$2.9 Billion for the 2018 Corps Navigation Program

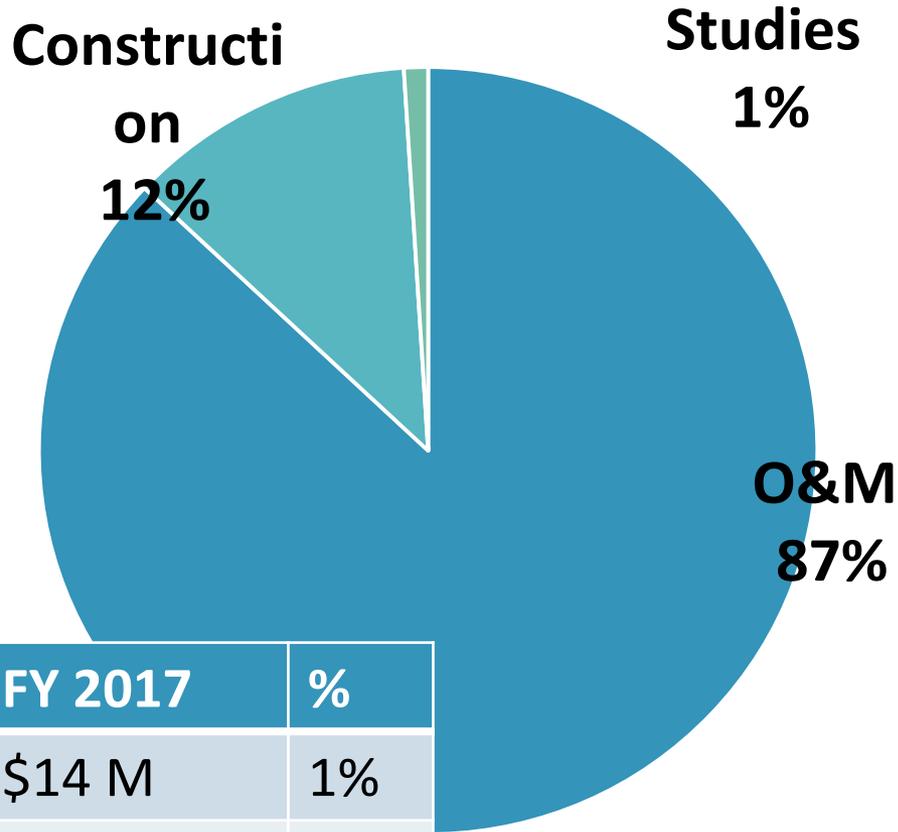
	2018 Stakeholders	2017 House/Senate *estimated	2017 Pres Budget
COASTAL NAVIGATION	\$1.615 B	\$1.449/\$1.493 B	\$1.009 B
Investigations	\$ 15 M	\$14.75/\$15.5 M	\$8 M
Construction	\$250 M	\$227.5/\$218.7 M	\$105 M
Operations & Maintenance	\$1.300 B	\$1207/\$1209 M	\$896 M
Donor and Energy Ports	\$50M	\$10/\$50 M	\$0
INLAND NAVIGATION	\$1.240 B	\$1.162/\$1.133 B	\$888 M
Investigations	\$ 20 M	\$14.75/\$15.5 M	\$14 M
Construction	\$420 M	\$440.75/\$432 M	\$243 M
Operations & Maintenance	\$800 M	\$706.3/\$685.5 M	\$631 M
MS RIVER & TRIBUTARIES	\$ 45 M	\$46.5/\$45 M	\$37 M
TOTAL NAVIGATION	\$2.900 B	\$2.658/\$2.671 B	\$1.934 B

**9 Regional navigation associations determine amount
41 Navigation support associations advocate to Congress**

RESULTS: Congress ‘Hit the HMT Target!’ in FY 16, 17 and 18 (?)

Coastal Navigation Funds Distribution

FY17 Appropriation



Account	FY 2017	%
Investigations	\$14 M	1%
Construction	\$178 M	12%
O&M	\$1.3 B	87%

President's Budget for Corps Coastal Navigation

From FY 2013 to FY 2018 ...

Coastal Navigation total budget has increased **12%**

Coastal Navigation O&M budget has increased **17%**

	FY 2018	FY 2017	FY 2016	FY 2015	FY 2014	FY 2013
COASTAL NAVIGATION	\$1.079 B	\$1.017 B	\$973 M	\$991 M	\$980 M	\$967 M
Investigations	\$11 M	\$14 M	\$18 M	\$17 M	\$16 M	\$17 M
Construction	\$133 M	\$105 M	\$81 M	\$97 M	\$108 M	\$151 M
Oper & Maint	\$935 M	\$898 M	\$874 M	\$877 M	\$855 M	\$799 M
Donor and Energy Ports	\$0	\$0	\$0	\$0	N/A	N/A

Corps Coastal Navigation Funding

From FY 2013 to FY 2018 ...

Coastal Navigation total funding has increased **58%**

Coastal Navigation O&M funding has increased **61%**

	FY 2018 H/Sen*	FY 2017	FY 2016	FY 2015	FY 2014	FY 2013
COASTAL NAVIGATION	\$1.532B/ \$1.589 B	\$1.495 B	\$1.343 B	\$1.260 B	\$1.214 B	\$967 M
Investigations	\$14.75M/ \$18.5M	\$14.2 M	\$13 M	\$24 M	\$25 M	\$17 M
Construction	\$215 M/ \$232.5 M	\$177.8 M	\$135 M	\$133 M	\$155 M	\$151 M
Oper & Maint	\$1.292B/ \$1.288 B	\$1.275 B	\$1.17 B	\$1.103 B	\$1.034 B	\$799 M
Donor and Energy Ports	\$10 M/ \$50 M	\$28 M	\$25 M	\$0	N/A	N/A

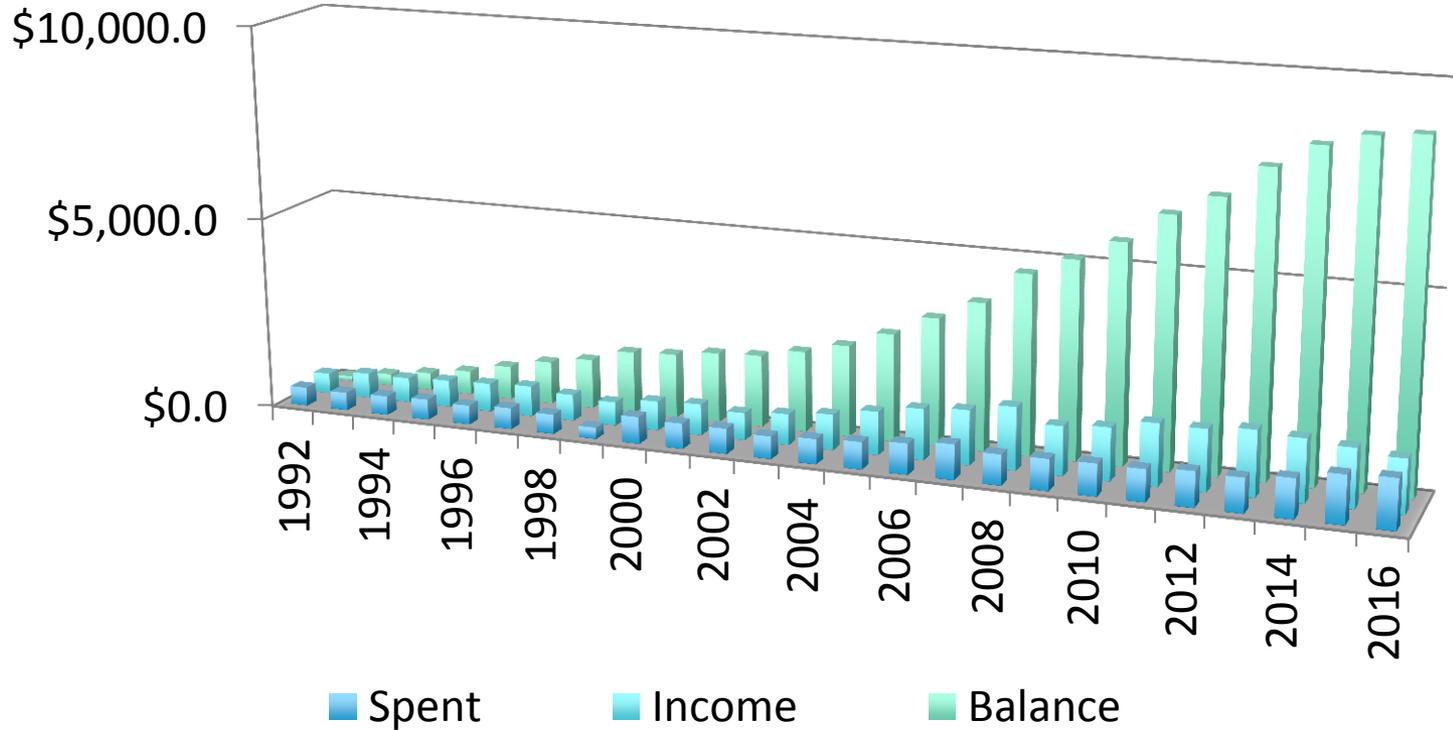
*AAPA estimate of coastal navigation portion of additional navigation funds

Harbor Maintenance Tax

- 1986 Water Resources Development Act (WRDA)
- Harbor Maintenance Tax (HMT): ad valorem tax, 0.125% of cargo value on imports, domestic cargo and cruise passengers (not exports)
- Revenues fund:
 - 100% of Operation and Maintenance (O&M) work and dredged material placement facility construction by the Corps for almost 1000 coastal nav projects;
 - St Lawrence Seaway O&M by DOT;
 - HMT tax and data collection by Customs

Agency	FY 2017	%
Corps	\$1.3 B	97%
DoT	\$36 M	3%
Customs	\$ 4 M	l.t.1%

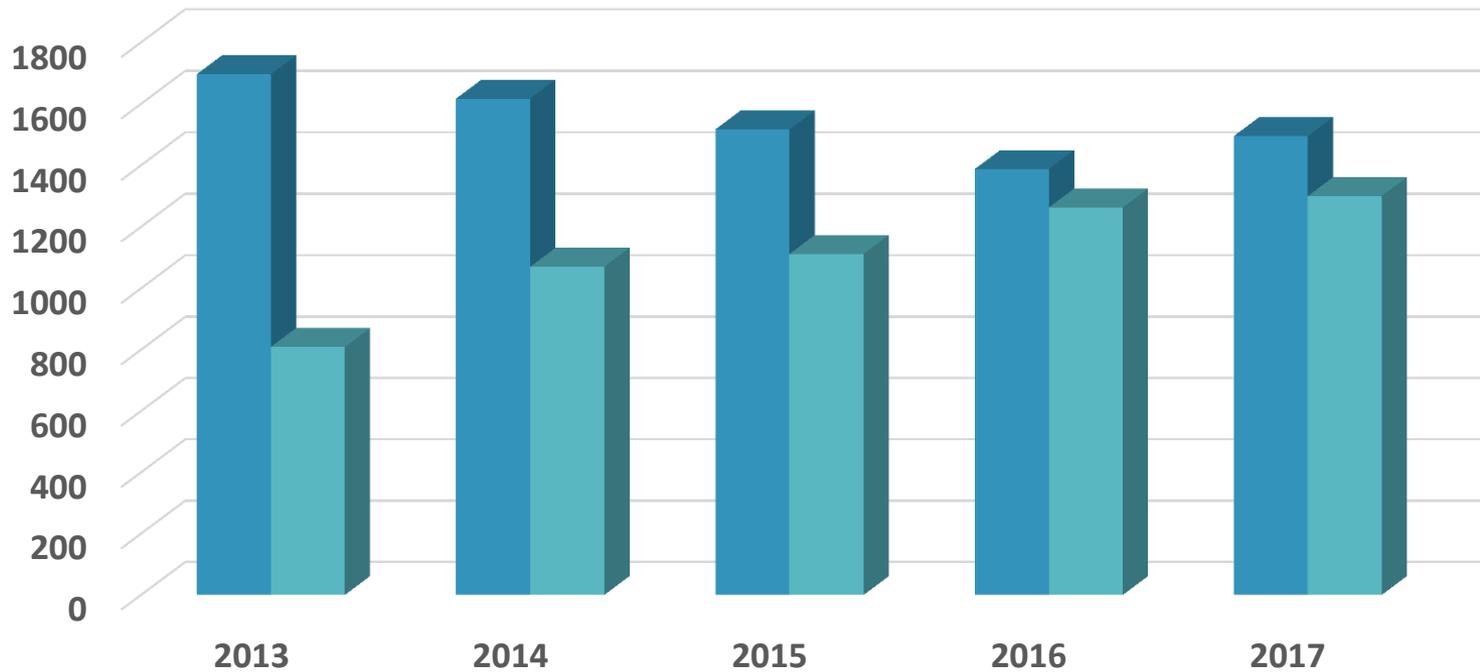
Harbor Maintenance Trust Fund, 1992-2016



HMT surplus was \$8.8 billion at the end of FY16

HMT Revenues & Funding 2013 - 2017

Harbor Maintenance Tax



	2013	2014	2015	2016	2017
Revenue	1696	1617	1517	1388	1495 (est)
Funding	809	1070	1112	1263	1300
Percent	48%	66%	73%	91%	87%

Results of Increased Coastal Navigation Funding

- More dredging - progress is being made on the maintenance backlog
- Improved efficient and safe waterside freight movement
- Increased Congressional awareness of navigation funding
 - Hitting the HMT Targets
 - Funding new channel improvement projects
- Dredging industry has responded building 2 new hopper dredges, 38% increase in dredging capacity



2017 Legislation Opportunities

- Goal: Provide full HMT revenues directly to the Corps
- Tax Reform: Provide the budget offset
- Legislation:
 - H.R. 1908, Investing in America, Unlocking the Harbor Maintenance Trust Fund Act (Kelly/Defazio)
 - S. 1488, Harbor Maintenance Trust Fund Reform Act of 2017 (Murray/Cantwell); Identical House bill, H.R. 3152, Dave Reichert, (R-WA) and Nanette Barragán (D-CA)
- Issue: Donor Port funding and Fully Maintained Projects

“Fully Maintained Projects”

- Full depth and width available
- Navigation support structures well maintained
- Sufficient dredged material placement capability

- All projects fully maintained before Donor Ports receive funding for expanded uses?
- All 1000 projects in Corps inventory?
- High and Moderate commercial use?
- Identify a subset of ‘active’ navigation projects?

Infrastructure Investment

- President campaigned on \$1 trillion over 10 years
- Recent discussions on \$200 billion
- Maritime infrastructure must be included
- AAPA and others emphasizing freight movement as engine for economic growth
- Ports need \$66 billion for Waterside and Landside components

Waterside Infrastructure Investment

MAINTAIN DEEP-DRAFT NAVIGATION CHANNELS \$27.6 BILLION NEEDED

\$18.6 billion for full use of annual Harbor Maintenance Tax (HMT) revenues, including increasing donor equity
\$9 billion to use the HMT surplus to address the chronic maintenance backlog
Restore tax fairness to the HMT

MODERNIZE DEEP-DRAFT NAVIGATION CHANNELS \$6.2 BILLION NEEDED

\$3.1 billion for federal share of 15 current congressionally authorized construction channel improvements
\$3.1 billion for federal share of projects undergoing feasibility studies



Landside Infrastructure Investment

BUILD VITAL ROAD AND RAIL CONNECTORS TO PORTS

\$28.9 BILLION NEEDED

Provide robust funding for federal programs to modernize landside port connectors, including DOT TIGER, FAST Act state formula funds and FASTLANE grants

IMPROVE PORT FACILITY INFRASTRUCTURE

\$3.13 BILLION NEEDED

Provide \$1.25 billion annually to the U.S. DOT TIGER program, with 25 percent dedicated to port related infrastructure
Fully fund FEMA's Port Security Grant Program, which provides funds for transportation infrastructure security activities at American ports.



Estimates

- Congress wants to grow the U.S. economy and sees infrastructure investments as critical.
- Congress also wants to permanently solve the HMT funding problem.
- How can you help? Be prepared when Congress wants numbers.
- Don't be such a Engineer!
- Draw on your post-hurricane experiences
- You are the subject matter expert
- Be responsive – don't miss funding opportunities!

Summary

- **Good progress**
- **Good collaboration**
- **Strong Congressional support**
- **Keep up the momentum!**

