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Infrastructure Investment, Gulf Coast Topics

WEDA Gulf Coast Chapter Meeting

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American Association of Port Authorities
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Topics

- Harbor Maintenance Trust Fund, HMTF
- FY 2020 Funding
- AAPA Leadership Changes

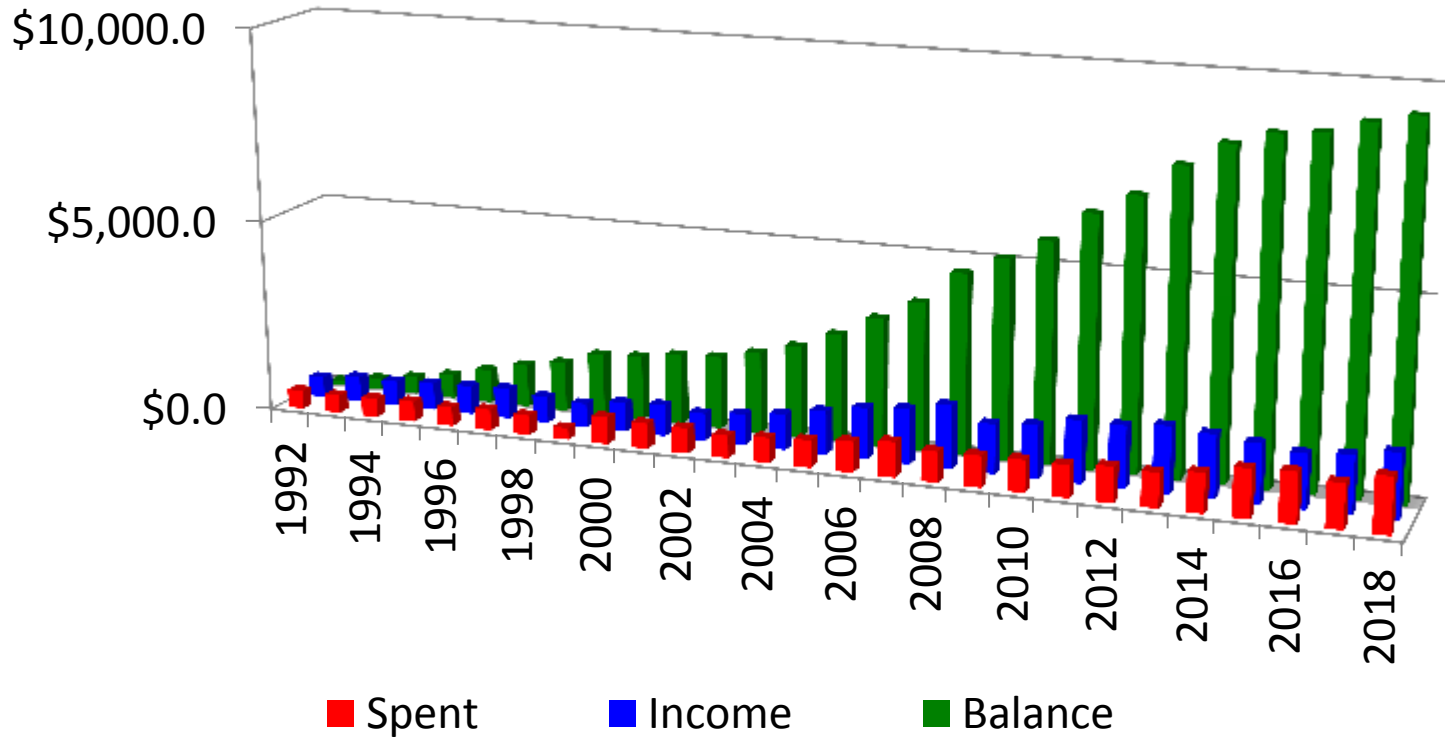


Kurt Nagle
AAPA CEO
1995 - 2019



Chris Connor
AAPA CEO
2019

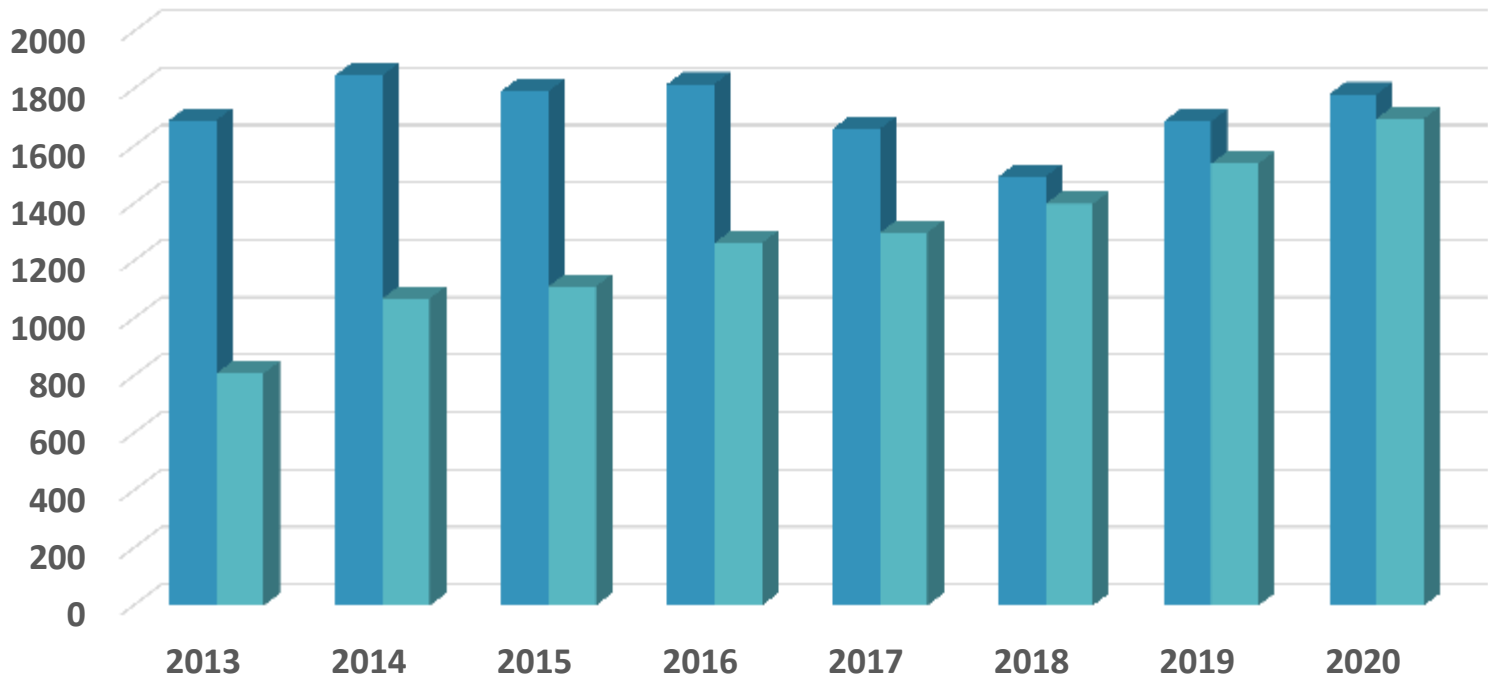
Harbor Maintenance Trust Fund, 1992-2018



HMT surplus was **\$9.3** billion at the end of FY18

HMTF Annual Revenues & Funding, 2013 - 2020

Harbor Maintenance Trust Fund



	2013	2014	2015	2016	2017	2018	2019	2020*
Funding	809	1070	1112	1263	1300	1400	1540	1697
Prior Yr HMT est.	1691	1847	1792	1817	1662	1495	1687	1782
Percent	48%	58%	62%	70%	78%	94%	91%	95%

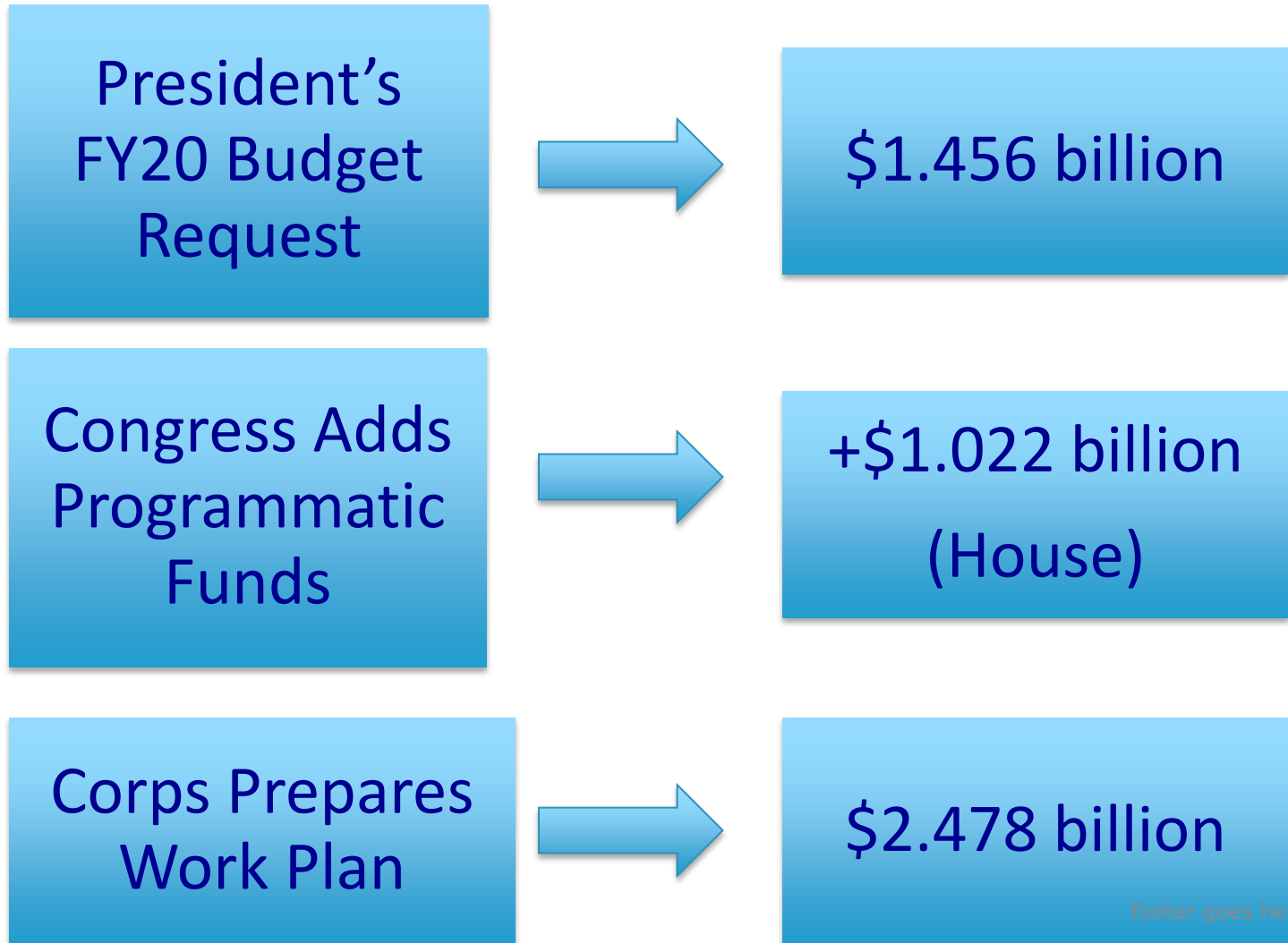
2020 Coastal Navigation Program

	2020 Stakeholders	2020 Senate *estimated (Sep)	2020 House *estimated (Jul)	2019 Omnibus	2020 Pres Budget
COASTAL NAVIGATION					
Investigations	\$25.25 M	\$25.25 M	\$23.5 M	\$16 M	\$8 M
Construction	\$1.327 B	\$1.327 M	\$735 M	\$464 M	\$487 M
Oper & Maint	\$1.665 B	\$1.618 B	\$1.665 B	\$1.511 B	\$961 M
Donor & Energy	\$55 M	\$50 M	\$55 M	\$50 M	\$0 M
TOTAL	\$3.072 B	\$3.019 B	\$2.478 B	\$2.041 B	\$1.456 B

NOTES:

*2020 Senate and House are AAPA estimates of programmatic funds distribution to coastal navigation. Senate Construction includes \$525 million for a 'Regional Dredge Demonstration Program'
Senate HMT is \$1.67 billion, House HMT \$1.697 billion. HMT is O&M along with some portions of D&ET and Construction for dredged material placement facilities

The Funding Process – Corps Coastal Navigation Program



Current Situation

- HMT Funding has significantly improved
- FY20 House is 95% of FY19 HMTF revenue estimate
- **Is this sustainable?**
- Education and advocacy with Congress has them ready to solve the HMTF problem
- Now is the time for a **permanent solution!**

ISSUES: Funds Distribution and Funding Mechanism

Funds Distribution – AAPA 4 Pillars

- Appropriation of full prior Fiscal Year's HMTF revenues focused on channel maintenance
- Expanded permanent Donor and Energy Transfer program
- Regional funding assurances
- Emerging Harbor funding assurances

Funding Mechanism – Congress TBD

2019 HMTF Highlights

- Sen. Richard Shelby, Appropriations Committee Chairman, proposes HMTF funding mechanism as part of Disaster Supplemental Appropriation
- Cong. Peter DeFazio introduces H.R. 2440, Full Utilization of the Harbor Maintenance Trust Fund Act. House passed the bill on Oct 28
- AAPA developed its Harbor Maintenance Trust Fund Reform Act
- AAPA focusing on a 2-step approach to use the Appropriations funding mechanism and WRDA legislated funds distribution

HMT Legislation Comparison Table

Component	AAPA	DeFazio	Shelby	Sen EPW
Full use of annual HMT	Yes	Yes	Yes	TBD
Address \$9.3B unspent	No	Yes	No	TBD
Address D&ET	Yes	No	Yes**	TBD
Emerging Harbor	Yes	No	No	TBD
Great Lakes	Yes	No	No	TBD
Funding Mechanism	No*	Yes	Yes	TBD

*AAPA understands a funding mechanism is needed but we don't specify a preferred method

**Addressed expanded uses and HMT eligibility, but not making program permanent

FY 2020 Appropriations

- Continuing Resolution until Nov 21
- No Government shutdown
- Corps can spend 52/365 of FY19 funding level
- No new starts
- Energy and Water Appropriation (Corps) being grouped with Defense and Homeland Security
- A second Continuing Resolution is likely

NOAA PORTS Program

- \$5 million per year for last decade
- Aging equipment needs upgrades
- New equipment, new services
- Expand services to additional ports
- PORTS supporters sought \$10 million
- FY20 Senate increased funding to \$7.5 million
- FY20 House directed funding program at least at FY19 level, \$5 million
- AAPA and supporters have advocated for the Senate amount.

Infrastructure Investments

- How would you describe your navigation channel condition?
- Need to define ‘Fully Maintained’ and perhaps a ‘State of Good Repair’ (lessor level)
- How much funding does the Corps need to achieve these levels?
- This will enable AAPA and Ports to advocate for the \$9.3 billion paid into HMT and unappropriated to date.

Initiatives Underway

- Corps budget development process
- Great Lakes sediment based approach to backlog \$
 - Sediment in channel at start of year
 - Sediment deposited during year
 - Sediment dredged during year
 - Sediment remaining at end of year x dredging cost per yard = funds needed
- Coastal Structures, ERDC Dr. Brandan Scully

\$9.3B Available, What's the Need?

- Congress understands the link between navigation channels, freight movement and economic growth
- Congress supports infrastructure investment
- Congress aware of unspent HMT revenues and that there's work needed
- Need an approach that identifies the funds needed
- Doesn't require high precision

Examples

- Congress seeks Programmatic Approach, given the earmark ban
- Results by Port Size
 - Large Commercial Harbors
 - Moderate Commercial Harbors
 - Emerging Harbors
- Geographic Regions
 - North and South Atlantic, North and South Pacific, Gulf and Great Lakes

Recruiting All Navigation Interests...

- **Support Corps FY20 funding and passage without additional Continuing Resolutions**
- **Support upcoming HMT legislation in Congress**
- **Help Corps and Ports define channel conditions framework and identify funds needed to achieve good performance**



Thanks for all you do!