

NAVIGATION PROGRAM AND BUDGETING OVERVIEW

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Senior Navigation Program Manager
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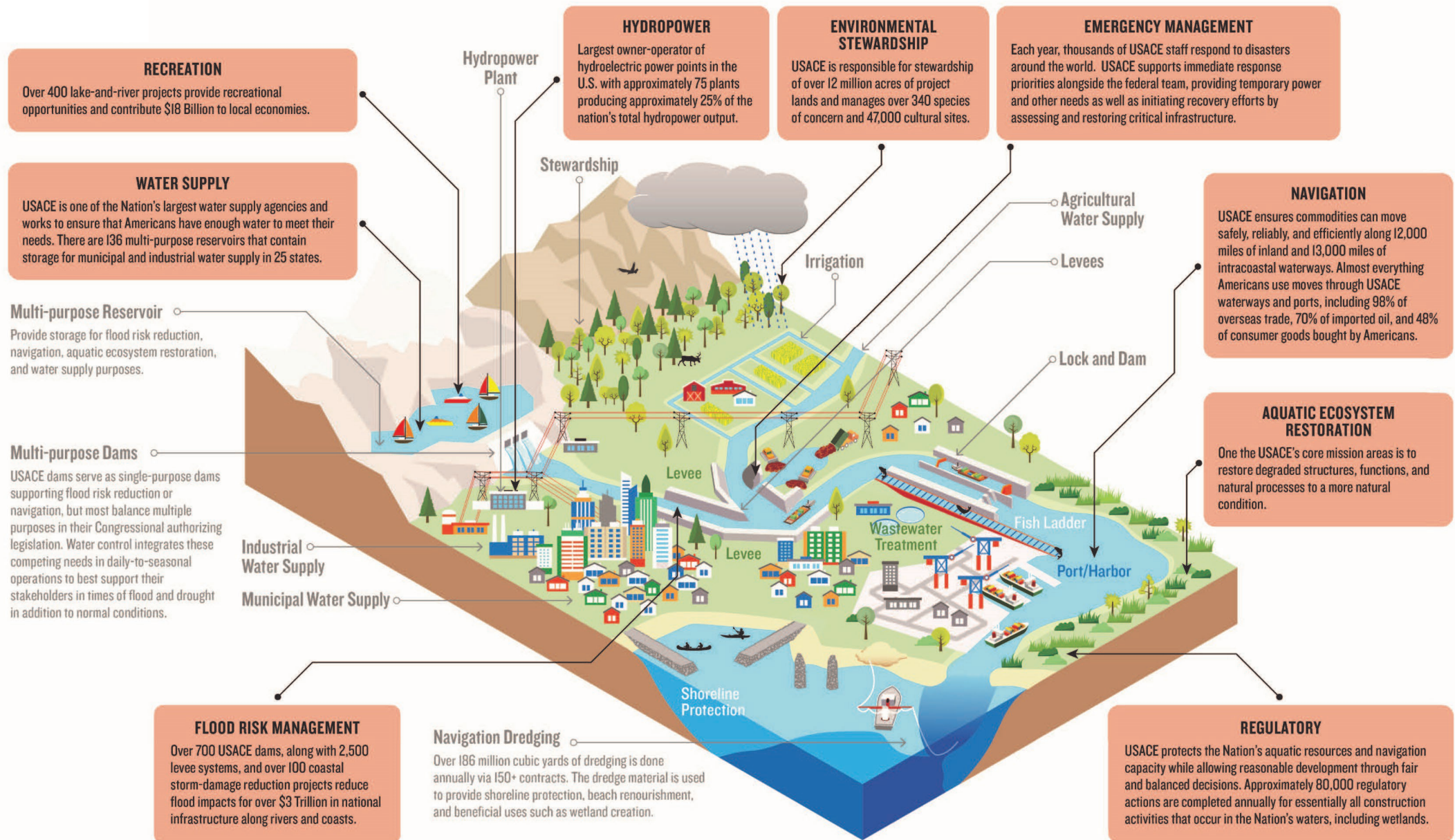
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USACE Integrated Water Resources System





OUR MISSION

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



U.S. Marine Transportation Industry Supports

~\$2 Trillion in Commerce Annually



15% of U.S. Domestic Freight is carried by water



In 2021, 31 Million short tons of fertilizer traveled on the Mississippi River

More than 48% of goods bought by Americans passed through harbors maintained by Corps



Over 1.5 Billion Short Tons of Foreign goods traveled through U.S. Ports/Waterways in 2021



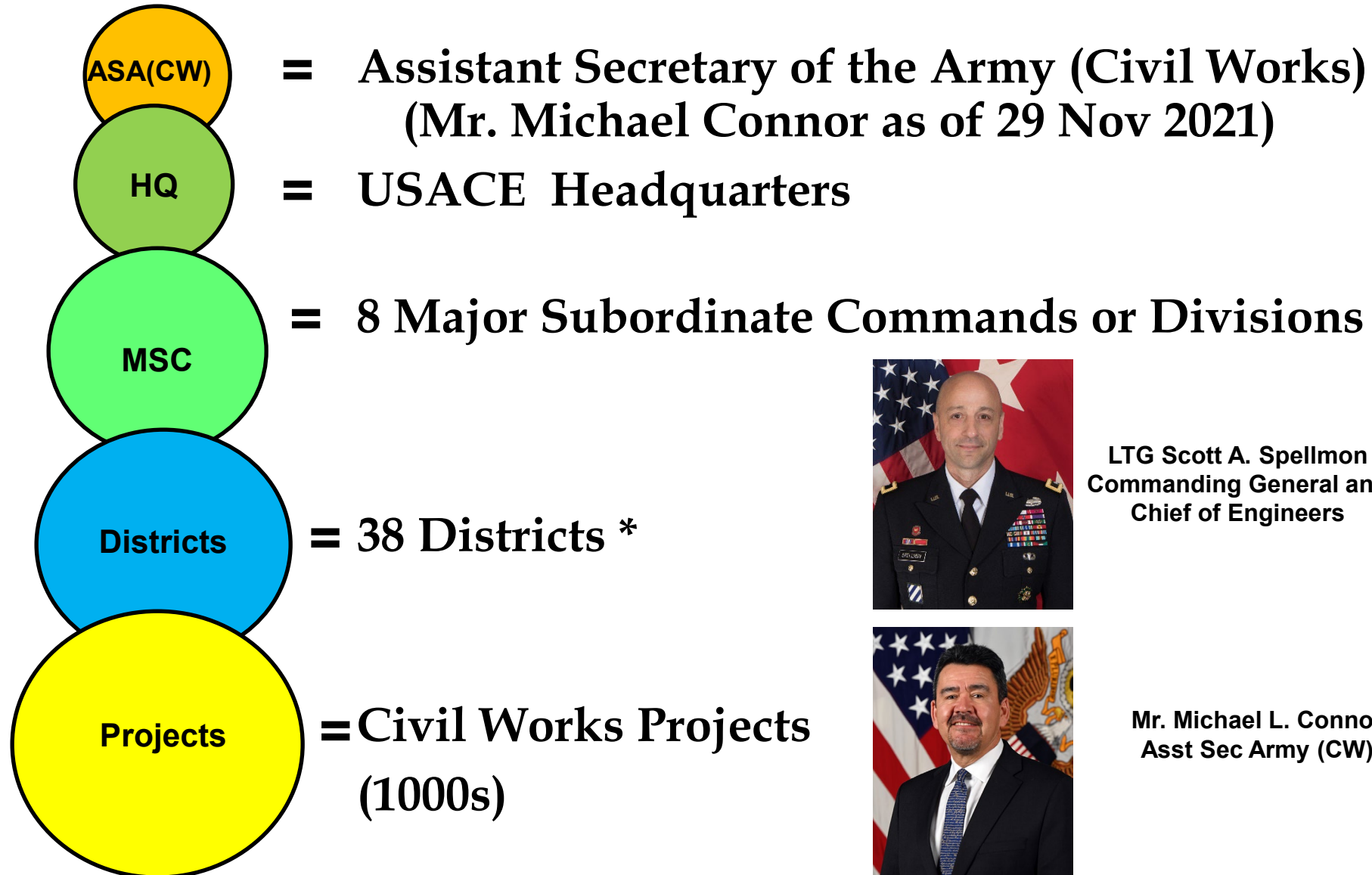
In 2021, 176 Million short tons of ag products traveled on the Mississippi River



USACE Organizational Hierarchy



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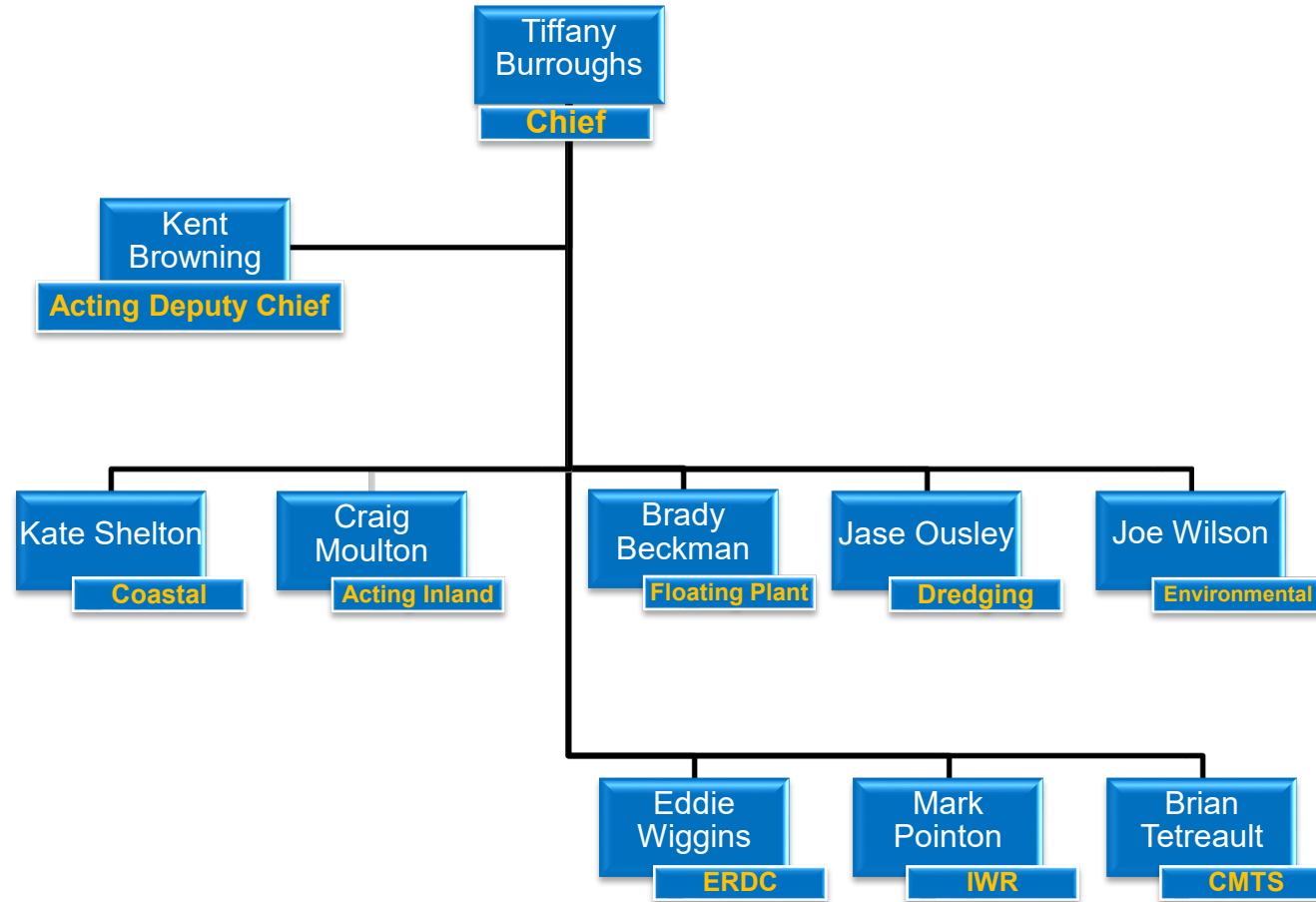
LTG Scott A. Spellmon
Commanding General and
Chief of Engineers



Mr. Michael L. Connor
Asst Sec Army (CW)



USACE HQ Navigation Team

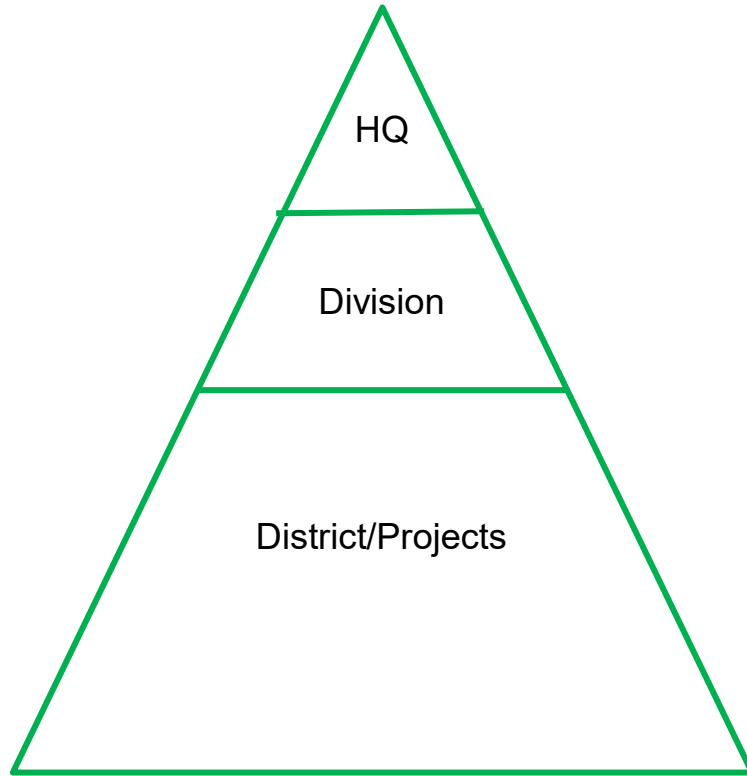




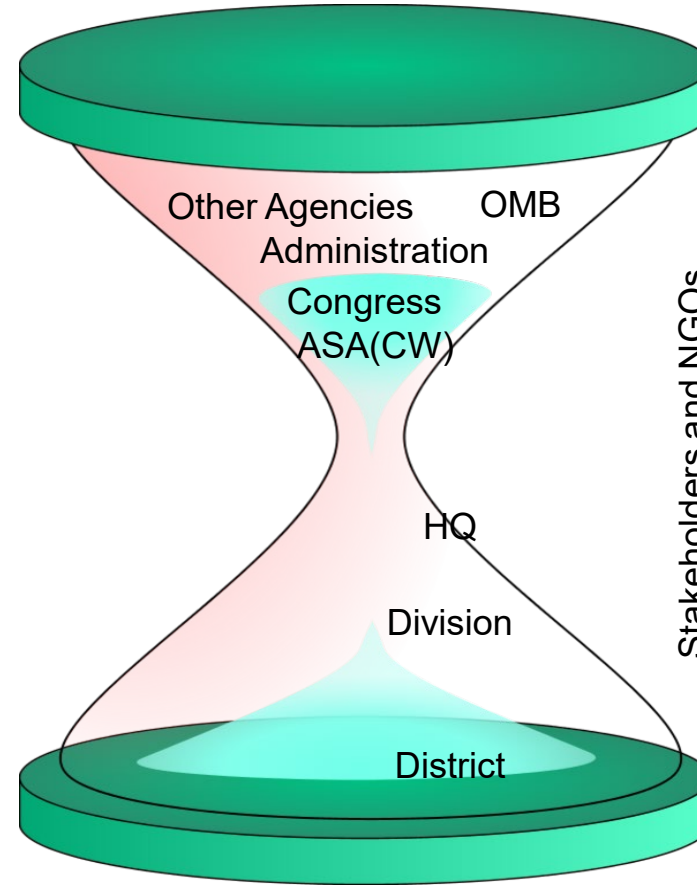
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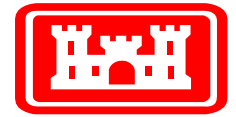
USACE STRUCTURE

Typical view of the Corps Organizational Structure:



The Reality:





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National Priorities/Goals

- **Infrastructure – IIJA (BIL) enacted in November 2021**
 - **USACE Navigation appropriated**
 - **\$4 billion for Construction**
 - **\$4 billion for O&M**
- **Environmental Justice**
- **Social Justice**
- **Emergency – FY23 Omnibus Act Division N = \$1.13B**



ASA (CIVIL WORKS) LINES OF EFFORT / ADMINISTRATION PRIORITIES

- **Upgrade Waterways and Ports to Strengthen Supply Chains and Economic Growth**
- **Build innovative, climate Resilient infrastructure to protect Communities and Ecosystems**
- **Modernize Civil Works Programs to better serve the needs of disadvantaged communities**
- **Invest in Science, Research and Development to deliver enduring water-resource solutions**
- **Strengthen communications and relationships to solve water resource challenges**



Chickamauga Lock



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NAVIGATION KEY INITIATIVES

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Upgrade Waterways and Ports to Strengthen Supply Chain

- 13 Post Panamax Port Deepening Projects on-going or funded
- 12 Lock and Dam Modernization/New Construction Projects on-going or funded
- Leveraging the Capital Investment Strategy

Strengthen Communications and Relationships

- Increased regional and enterprise coordination meetings for dredge scheduling
- Improved partnerships through strategic stakeholder and industry engagements

Build Innovative, Climate Resilient Infrastructure

- Focus on increasing beneficial use of dredged material to 70% by 2030

Modernize Civil Works Programs

- Developing remote lock operations
- Coordinating closures to complete necessary major lock maintenance and rehab
- Improving major maintenance and rehab policies to efficiently manage critical assets - locks, breakwaters, and jetties



AUTHORIZATION

- Specific such as Water Resources Development Acts (WRDAs and WRRDA)
 - WRDA 2024???
 - WRDA 2022
 - WRDA 2020
 - WRDA 2016 or Water Infrastructure Improvements for the Nation or WIIN
 - WRRDA 2014

- Accompanying Corps Reports (Chief's Reports)

- Generic or Blanket Legislation such as NEPA, CWA, ESA, etc.
 - Rivers & Harbors/Flood Control Act of 1944, dated 22 Dec 1944
(Sec 4 – Recreation): "...is authorized to construct, maintain, and operate public park and recreational facilities at water resources development projects under the control of the Dept of the Army..."



RECENT AUTHORIZATIONS

Water Resources Development Acts (WRDAs)

- WRDA 2022 (dated 23 December 2022)
- WRDA 2020 (dated 21 December 2020)
- WRDA 2018 (dated 23 October 2018)
- WRDA 2016/Water Infrastructure Improvements for the Nation (WIIN) Act
- Water Resources Reform and Development Act (WRRDA) of 2014 (10 June 2014)

Types of Issues in the Authorization Acts:

- Harbor Improvements – deepenings, etc., studies
- Small Navigation Projects
- Beneficial Uses
- Studies - No more Recons
- Policy/Cost Sharing
- Donor and Energy Transfer Ports
- Other = Craney Island East Expansion, Dredge McFarland Ready Reserve, Remote & Subsistence Hbrs, Project Related Provisions.



WHAT DOES USACE NEED TO DO BUSINESS

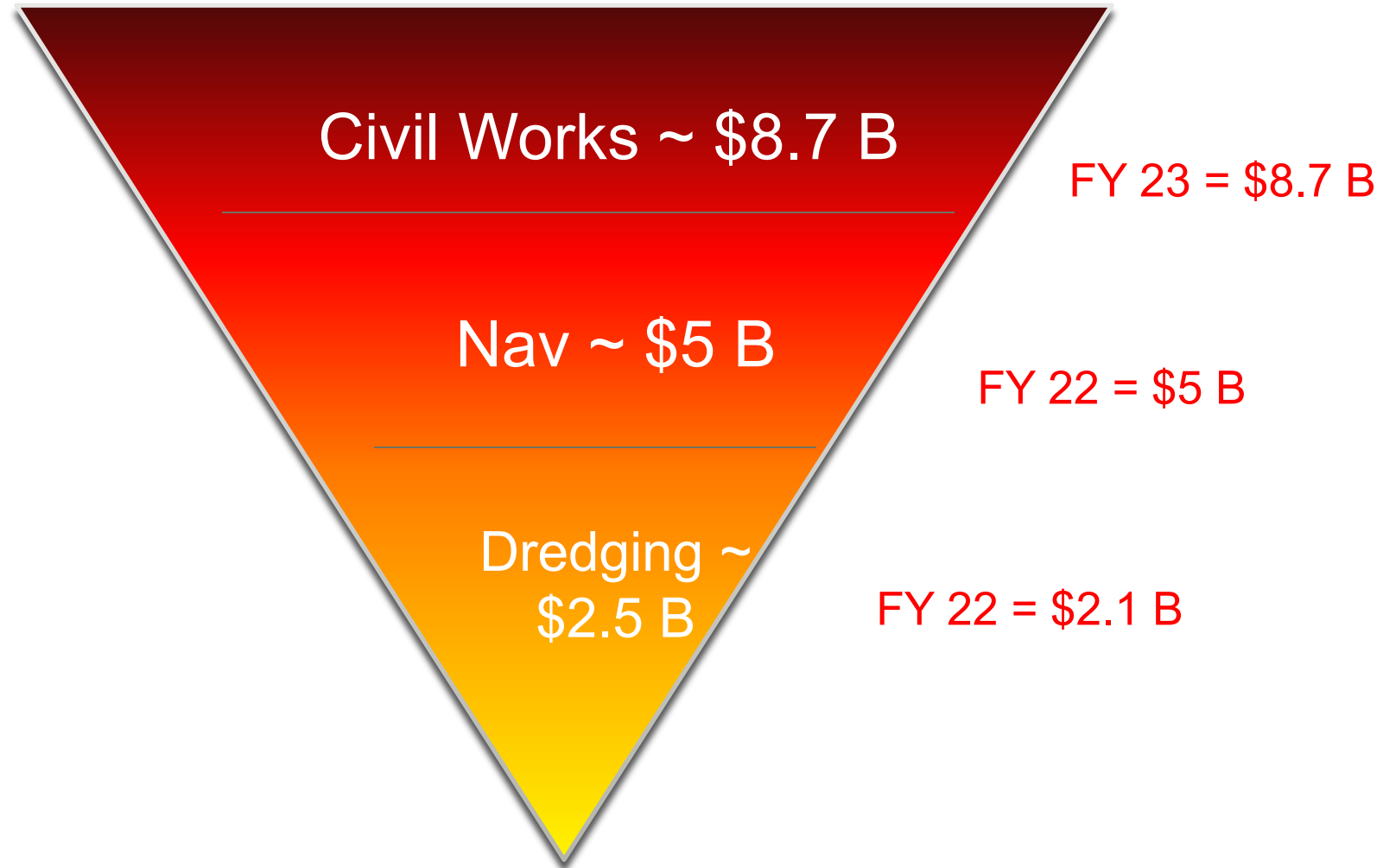


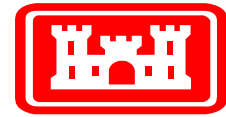
APPROPRIATIONS \$\$\$

- **Annual**
 - Energy and Water Development Appropriations Acts
 - Continuing Resolutions
 - “Work Plans” (funding pots)
 - Omnibus
- **Emergency/Disaster (FY23 Act Div N = \$1.13B)**
- **Supplemental**
 - Bipartisan Infrastructure Law (BIL) or Infrastructure Investment & Jobs Act (IIJA)
 - Recovery Act (ARRA) type in 2009 (unusual)



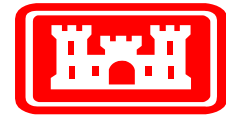
Funding Concept





Funding Uncertainty

- **FY 2024 – Continuing Resolution Act currently thru 17Nov23**
- **FY 2023 – Omnibus Act, Div D – E&WD Act - 29 Dec 2022 (Work Plan); CRA thru 16 Dec/23 Dec 22**
- **FY 2022 – E&WD Act – Mar 22, (Work Plan); CRA thru 11 Mar 2022 (from 18 Feb 22 & 17 Dec 21)**
- **FY 2021 – Consolidated Appropriations Act Div D – 27 Dec 2020 (Work Plan); CRAs thru enactment**
- **FY 2020 – Further Continuing Appropriations Act, Div C – 20 Dec 2019 (Work Plan); CRAs thru enactment**
- **FY 2019 – Energy and Water Development Appropriations Act, 2019 Div D – 21 Sep 2018**
- **FY18 Omnibus Appropriations Act – 24 Mar 18; CRAs thru 23 Mar 18**



Funding Uncertainty

Prior lapses in appropriations

NOV 1981 – 2 days
SEP 1982 – 1 day
DEC 1982 – 3 days
NOV 1983 – 3 days
SEP 1984 – 2 days
OCT 1984 – 1 day
OCT 1986 – 1 day
DEC 1987 – 1 day
OCT 1990 – 3 days
NOV 1995 – 5 days
DEC 1995 – 21 days
SEP 2013 – 16 days
JAN 2018 – 2 days
DEC 2018 – 34 days

BLUF: Lapses have happened before and can happen again.

The Government Employee Fair Treatment Act of 2019 (P.L. 116-1)

- Guarantees that all employees of the federal government will be paid following the end of a government shutdown.
- This statutorily guaranteed retroactive pay applies to furloughed employees and employees who are required to work during a shutdown.
- Such protections did not exist during prior lapses.



NAVIGATION USE CATEGORIES COASTAL & INLAND

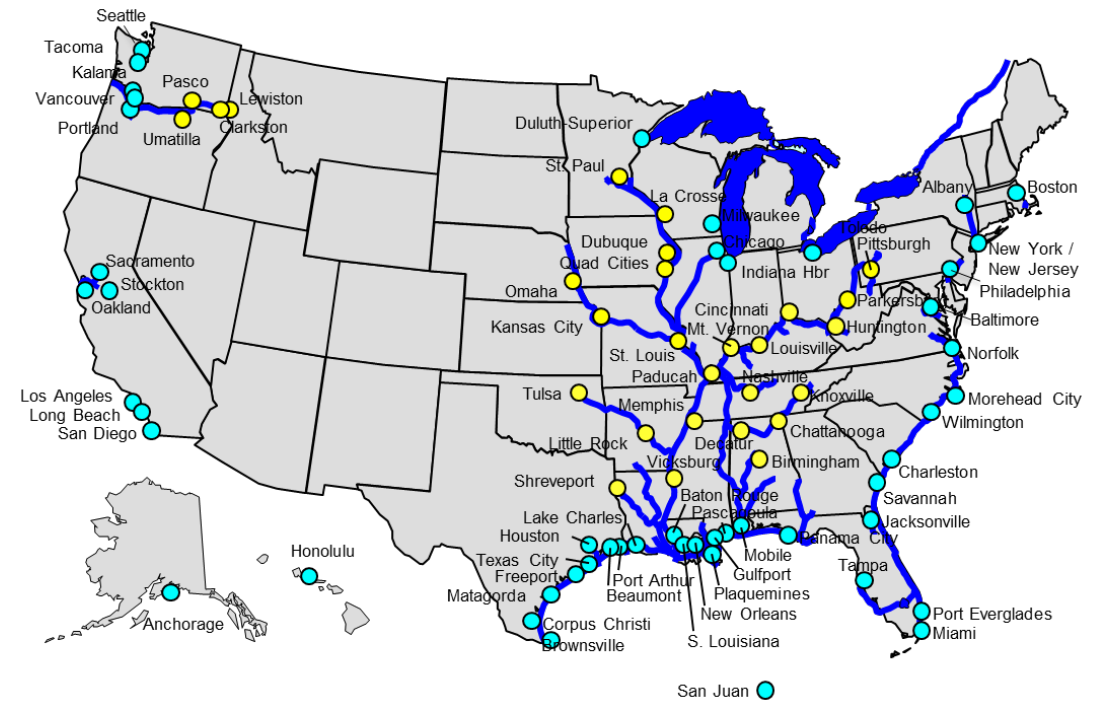


- Coastal Project Commercial Use Categories (Tonnage)
 - High Use greater than 10 million tons
 - Moderate Use between 1 million and 10 million tons
 - Low Use (Emerging) less than 1 million tons

- Coastal Projects Eligible for HMTF O&M Funding
 - Total: 1,208 (From Sec. 1216 Report, Assessment of Harbors)
 - High Use: 59 (5%)
 - Moderate Use: 81 (7%)
 - Low Use: 1,068 (88%)

- Inland Project Commercial Use Categories (Ton-Miles)
 - High Use greater than 3 billion ton-miles
 - Moderate Use between 1 and 3 billion ton-miles
 - Low Use less than 1 billion ton-miles

- Total Fuel Taxed Waterways: 27
 - High Use: 8 (30%)
 - Moderate Use: 4 (15%)
 - Low Use: 15 (55%)





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NAVIGATION: INLAND WATERWAYS

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- The Nation's infrastructure to support transportation of commercial goods by water involves a network of navigable coastal channels, inland waterways, and related features maintained by Civil Works, as well as publicly and privately owned marine terminals, intermodal connections, shipyards and repair facilities.
- The Inland Marine Transportation System (IMTS) reliability is a critical component that enables the Nation to participate and remain competitive in the global economy.
- The portfolio includes
 - approximately 12,000 miles of inland waterways (27 inland waterways segments) with 209 lock chambers at 167 locations, and
 - 13,000 coastal channels (Deep- and Deep-Draft) with 28 locks at 25 sites.
- Over 800 bridges.



Incoming tow at Bankhead Lock & Dam (SAM)

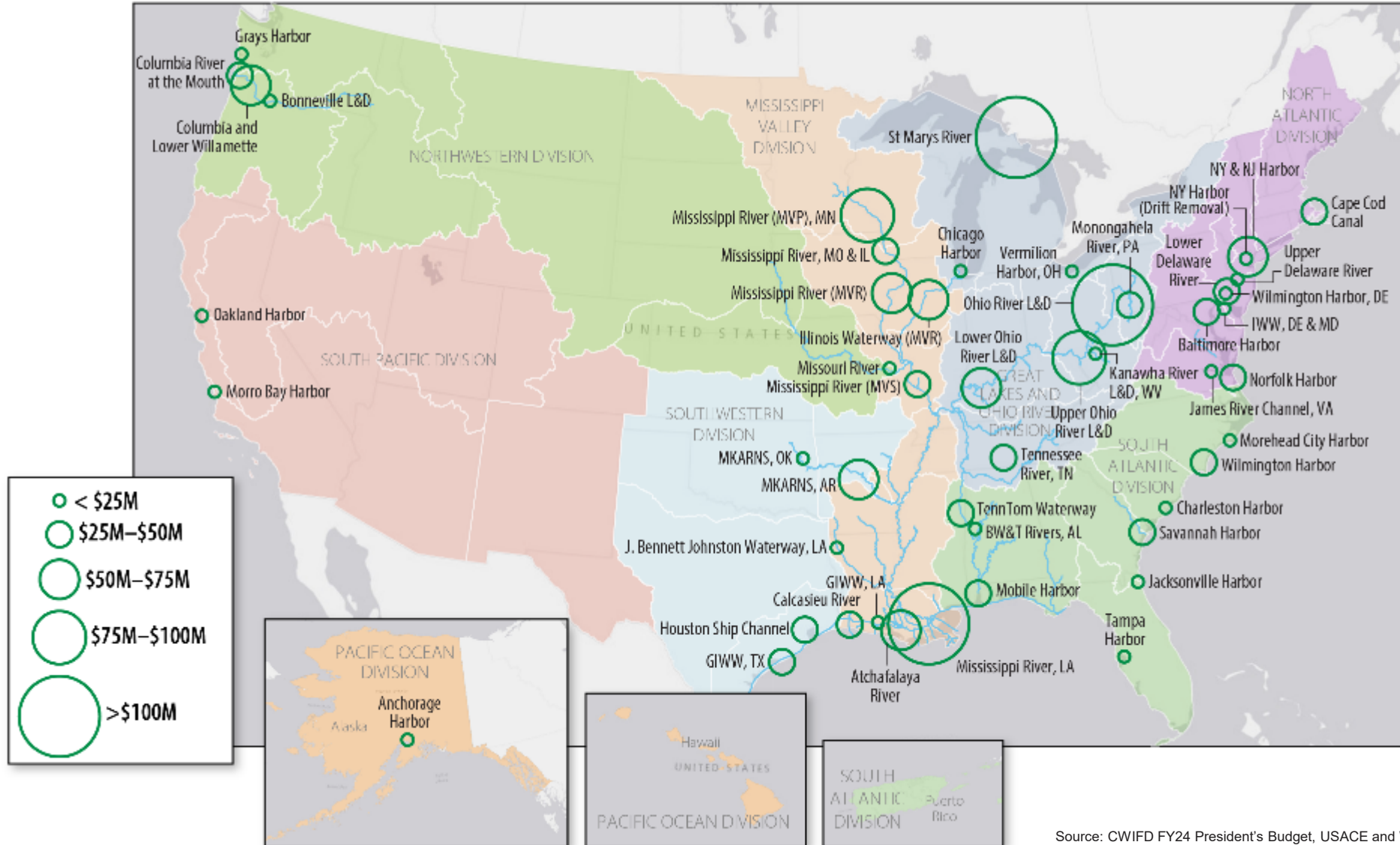


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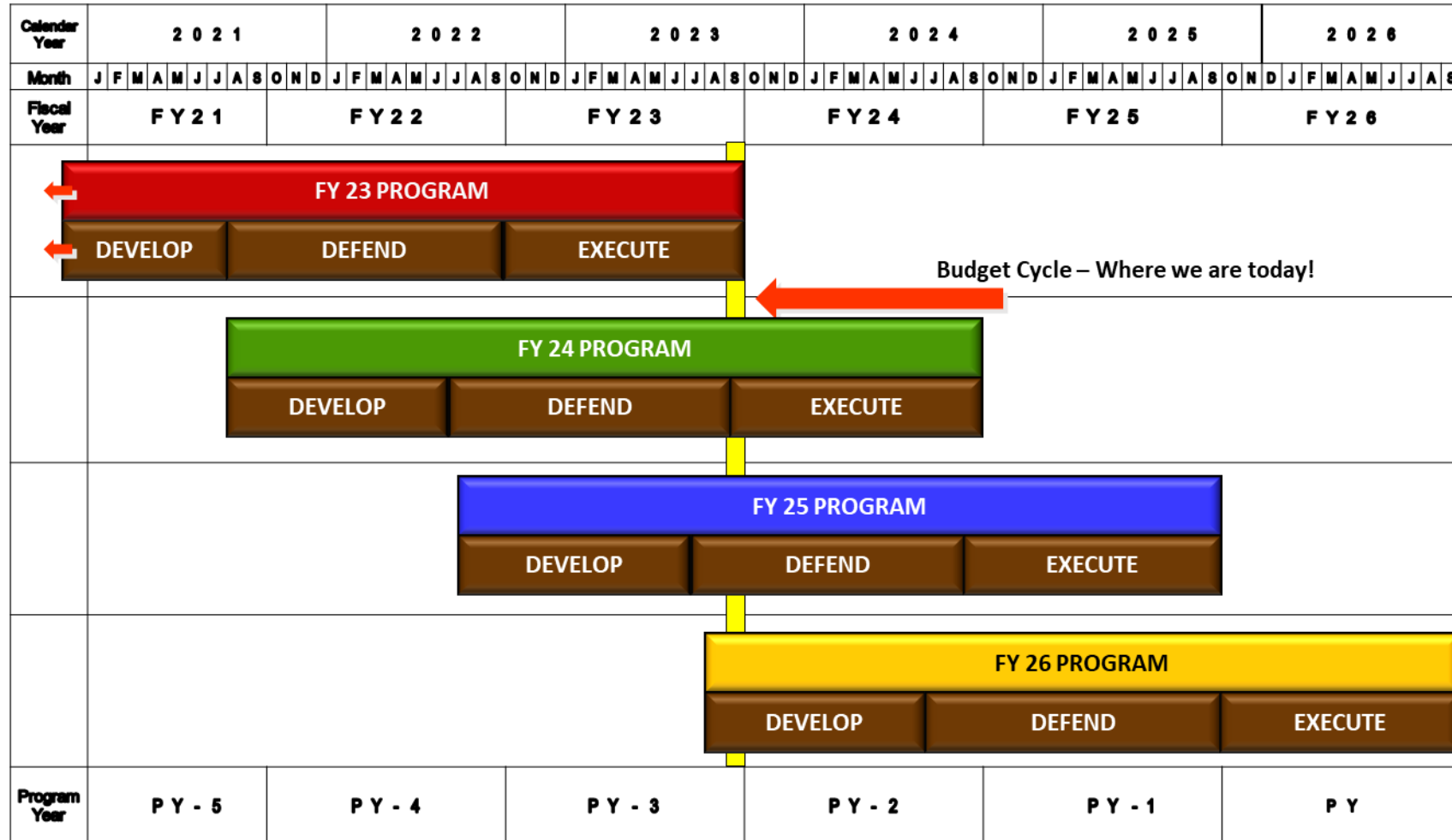


TOP 50 O&M NAVIGATION PROJECTS

FY 2024 President's Budget = \$2.6B for Navigation



Civil Works Program/Budget Timeline



NOTE: PY = CFY + 2



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STATUS OF FY 2024 WORK PLAN AND FY 2025 PRESIDENT'S BUDGET STATUS

- **FY 2024 Work Plan**

- House of Representatives USACE Civil Works Markup 21 June 2023: \$9.57B
- Senate USACE Markup 20 July 2023: \$8.395B
- Continuing Resolution currently through November 17, 2023 (48 days)
- Conference TBD

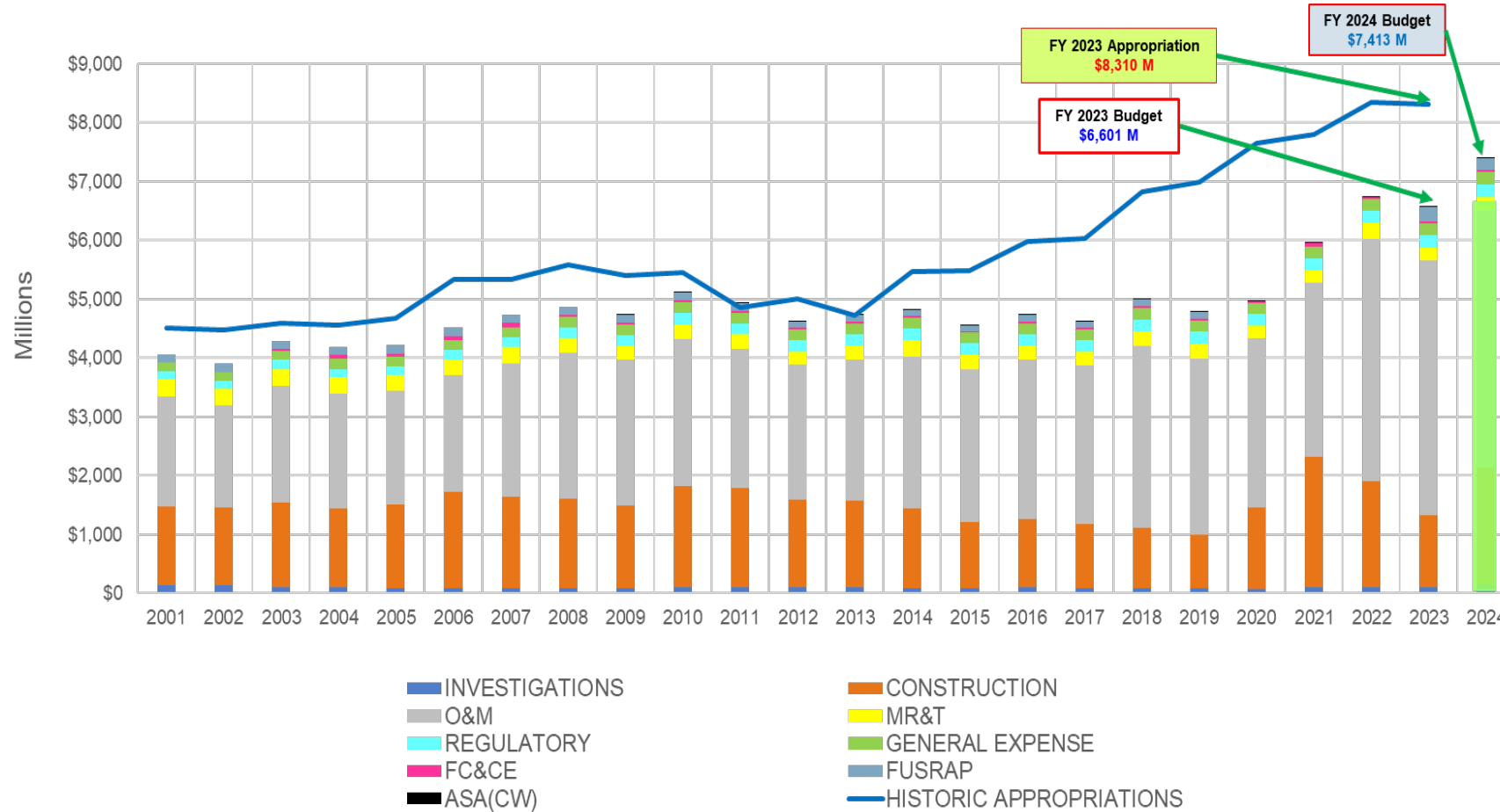
- **FY 2025 Budget**

- Currently in development
- Chief's Recommendation July 14, 2023
- Army Recommendation September 11, 2023
- OMB Passback November 24, 2023 (tentative)
- Pressbook February 10, 2024 (tentative)



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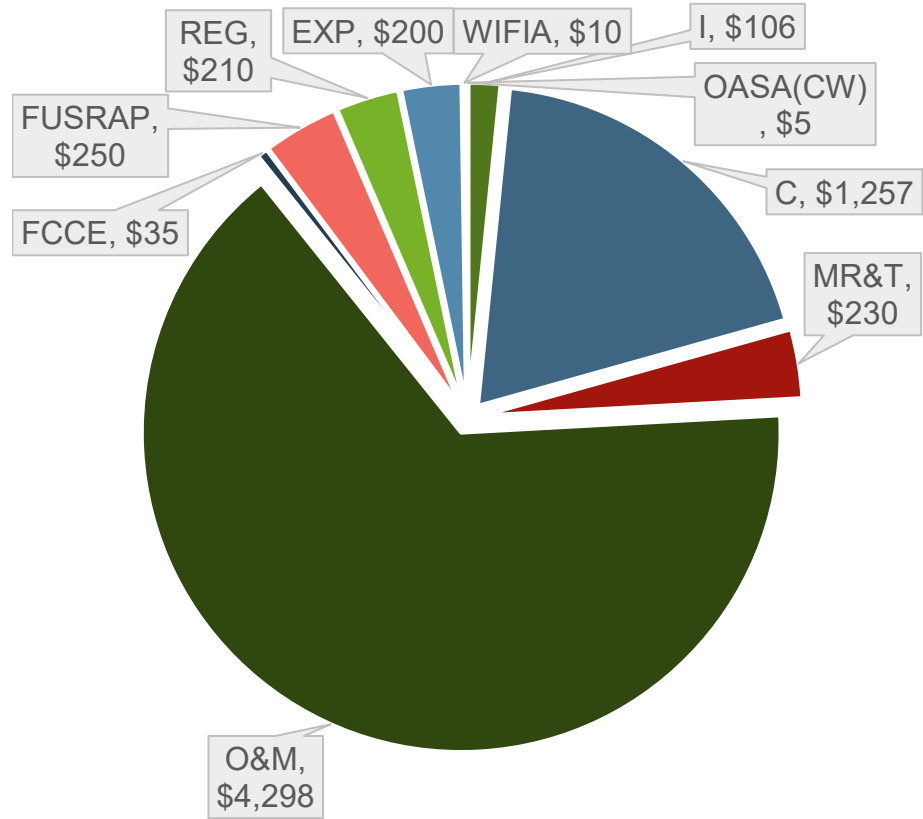
CIVIL WORKS INVESTMENT TRENDS (EXCLUDES SUPPLEMENTAL FUNDING)



FY24 Budget is ~11% increase above FY23 Budget
FY23 Work Plan is ~21% increase above the FY23 Budget
FY23 Work Plan is ~0.4% decrease below FY22 Work Plan

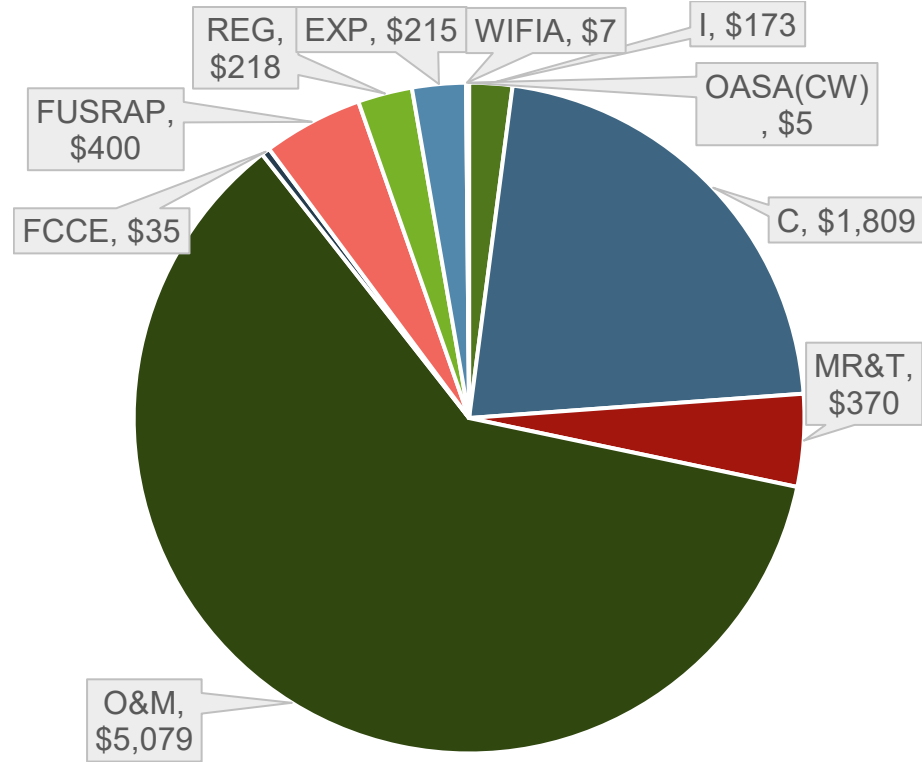


FY 2023 CIVIL WORKS REGULAR PROGRAM SUMMARY



FY 2023 President's Budget - \$6,601
By Account
(\$ Millions)

- FY23 Approp is \$1.709B above FY23 PBUD
- O&M Approp is \$780M above PBUD
- C Approp is \$552M above PBUD
- MR&T Approp is \$140M above PBUD



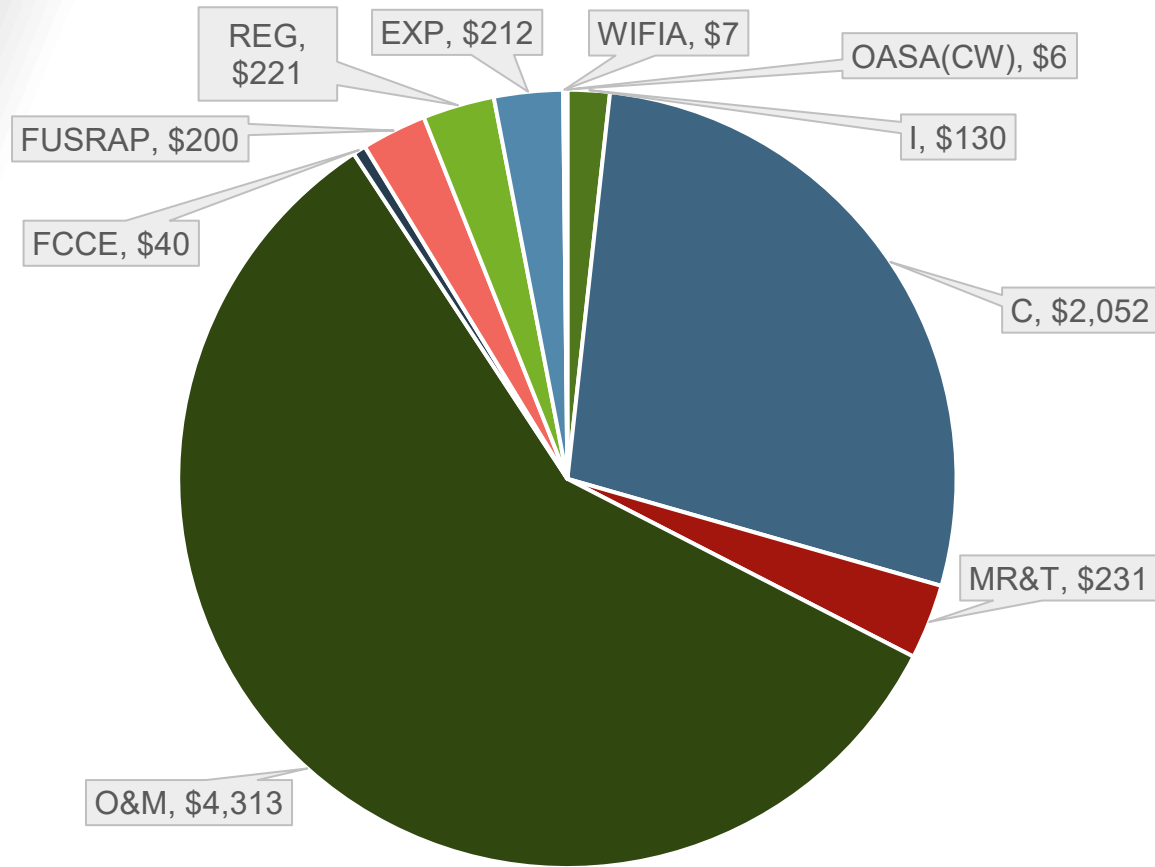
FY 2023 Appropriation - \$8,310
By Account
(\$ Millions)



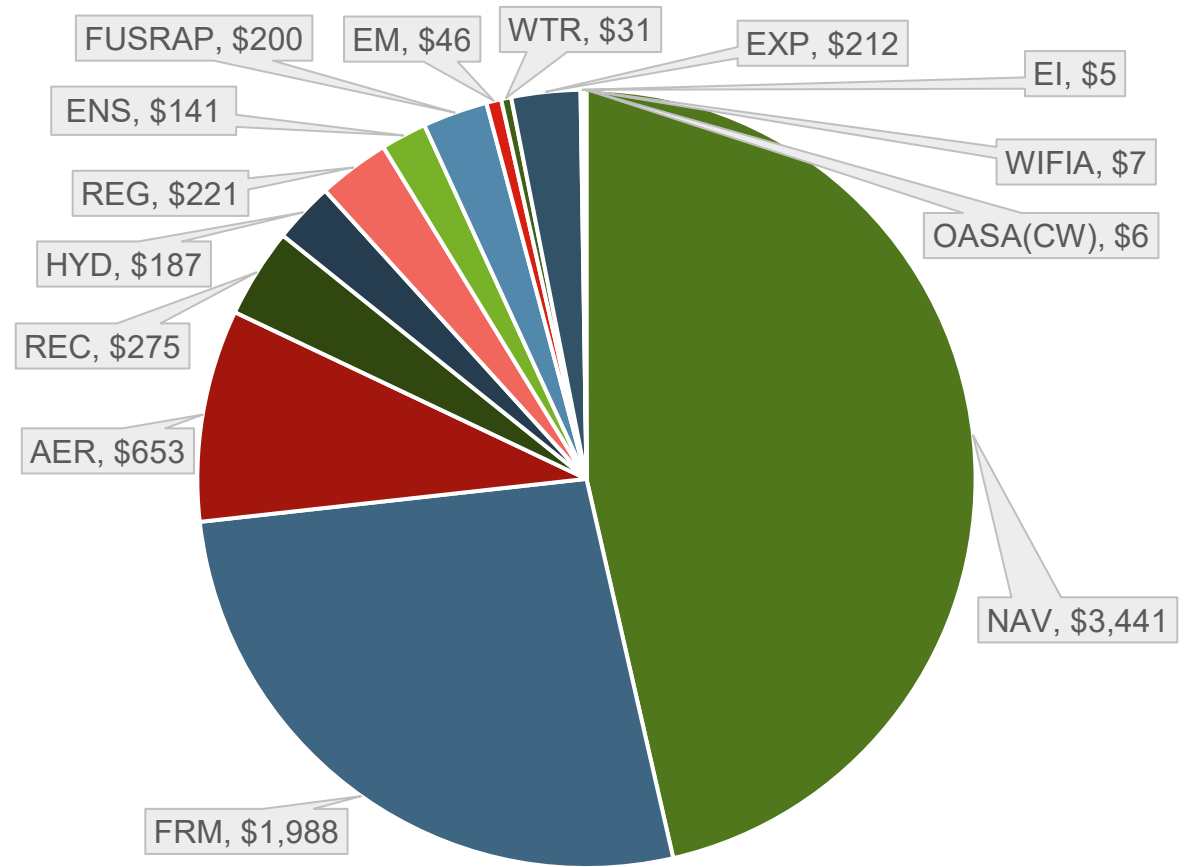
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FY24 CIVIL WORKS PROGRAM SUMMARY



FY 2024 Budget
By Account
(\$ Millions)



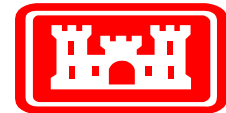
FY 2024 Budget
By Business Line/Funding Category
(\$ Millions)



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Navigation Work Plans

- FY 14 - \$ 385 million increase
- FY 15 - \$ 523 million increase
- FY 16 - \$ 684 million increase
- FY 17 - \$ 736 million increase
- FY 18 - \$ 853 million increase
- FY 19 - \$ 1,293 million increase
- FY 20 - \$ 1,536 million increase
- FY 21 - \$ 1,325 million increase
- FY 22 - \$ 589 million increase
- FY 23 - \$ 665 million increase



Navigation Trust Funds

Harbors

O&M	Federal Government	0%
	Harbor Maintenance TF	100%

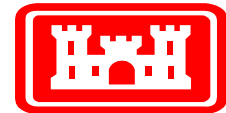
Construction	Federal Government	40-80%
	Project Sponsors	20-60%

Inland Waterways (Fuel Taxed)

O&M	Federal Government	100%
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Construction	Federal Government	65%* (50%)
	Inland Waterways TF	35% (50%)

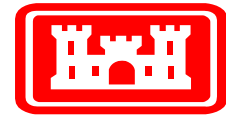
*per WRDA 2020 for FYs 2021-2031; WRDA 2022 made permanent



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Harbor Maintenance Trust Fund

- **Established in WRDA 1986**
- **Ad valorem tax of .125% on cargo value**
- **HM Tax collected on imports, domestic cargo and passengers**
- **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**
- **Fiscal:**
 - **FY 23 Revenues \$1,904.7 M (HMT + interest)**
 - **FY 23 Transfers \$1,338.7 M (\$1,296.9 M to USACE)**
 - **FY 23 Balance - \$10,281.7 M**
(Balance at end of FY 22 = \$9,478.3 M)
 - **HMTF appropriations/funding fall under agency budget ceilings**



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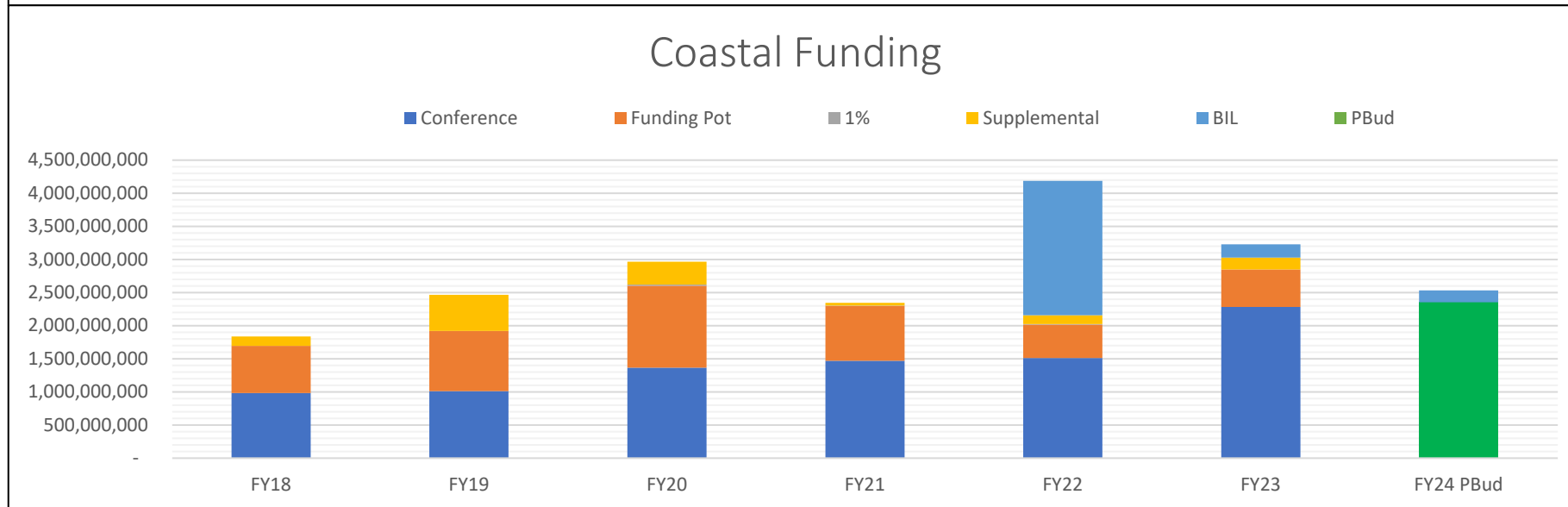
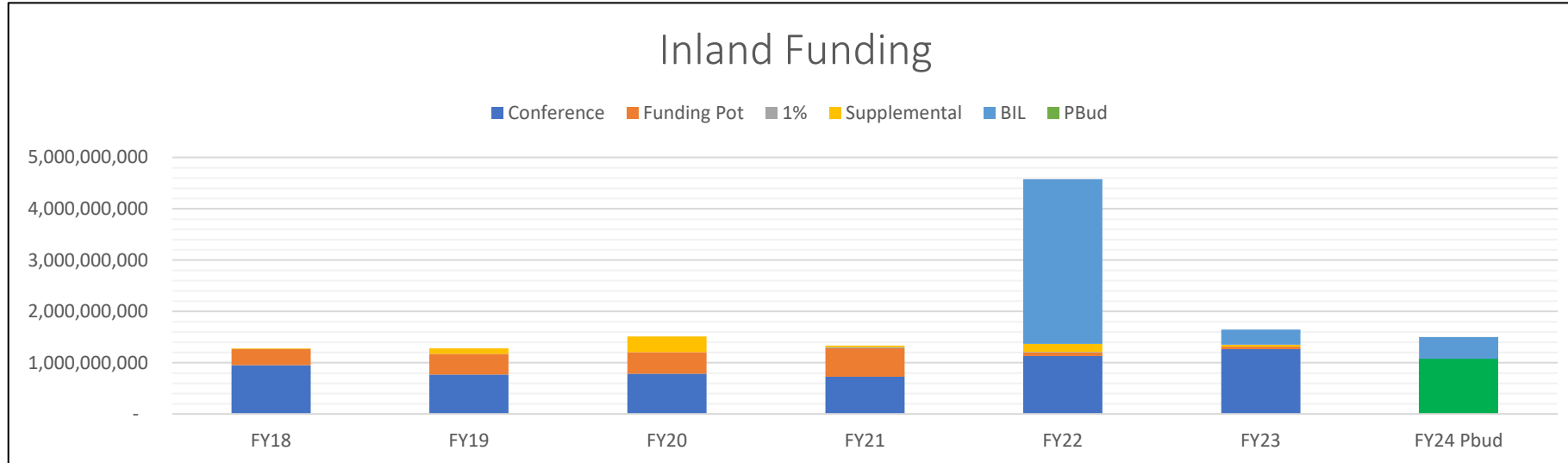
Inland Waterways Trust Fund

- **Established in Inland Waterways Revenue Act of 1978**
 - **WRDA 1986 authorized projects using IWTF**
 - **50%/50% split**
 - **Escalated the fuel tax rate up to \$0.20/year by 1995**
 - **Diesel fuel tax of \$0.29 per gallon on inland commercial traffic**
 - **Tax applied on the 27 designated inland waterways**
 - **35% cost sharing of construction of inland waterways modernization projects (locks and dams mostly) – was 50%**
 - **Also cost shares inland waterways Major Rehabilitations**
 - **Fiscal:**
 - **FY 23 Revenues \$105.8 M (Revenue + interest)**
 - **FY 23 Transfers \$41.4 M (to USACE)**
 - **FY 23 Balance - \$264.9 M (less ~\$85.3 M Pr Yr bud auth)**
- (End of FY Balance: FY 22 = \$200.5 M; FY 21 = \$221.6 M)**



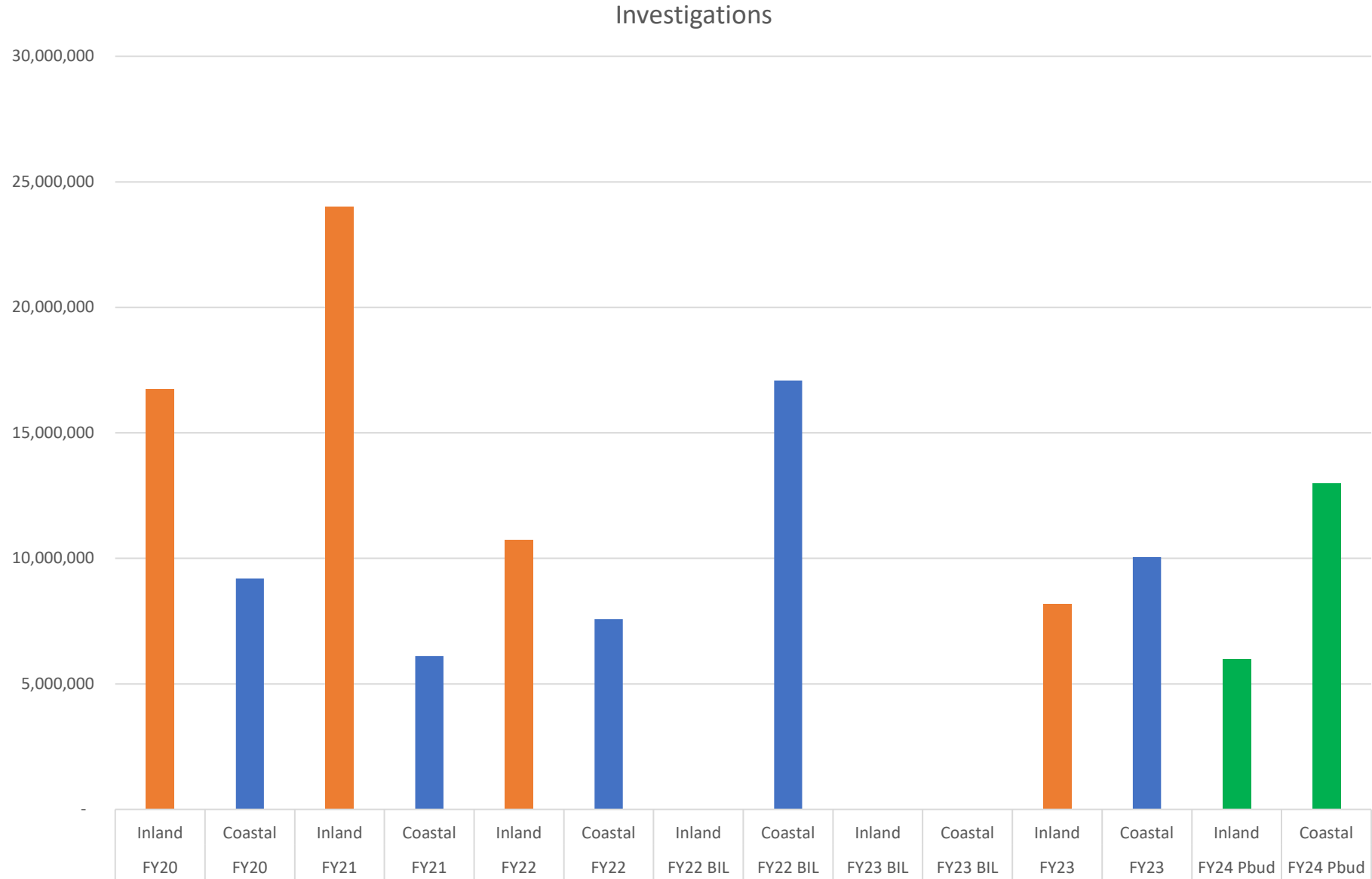
INLAND & COASTAL FUNDING TRENDS

INCLUDES INVESTIGATIONS, CONSTRUCTION, O&M, AND MR&T. DOES NOT INCLUDE REMAINING ITEMS OR JOINT COSTS





INVESTIGATIONS FUNDING TRENDS

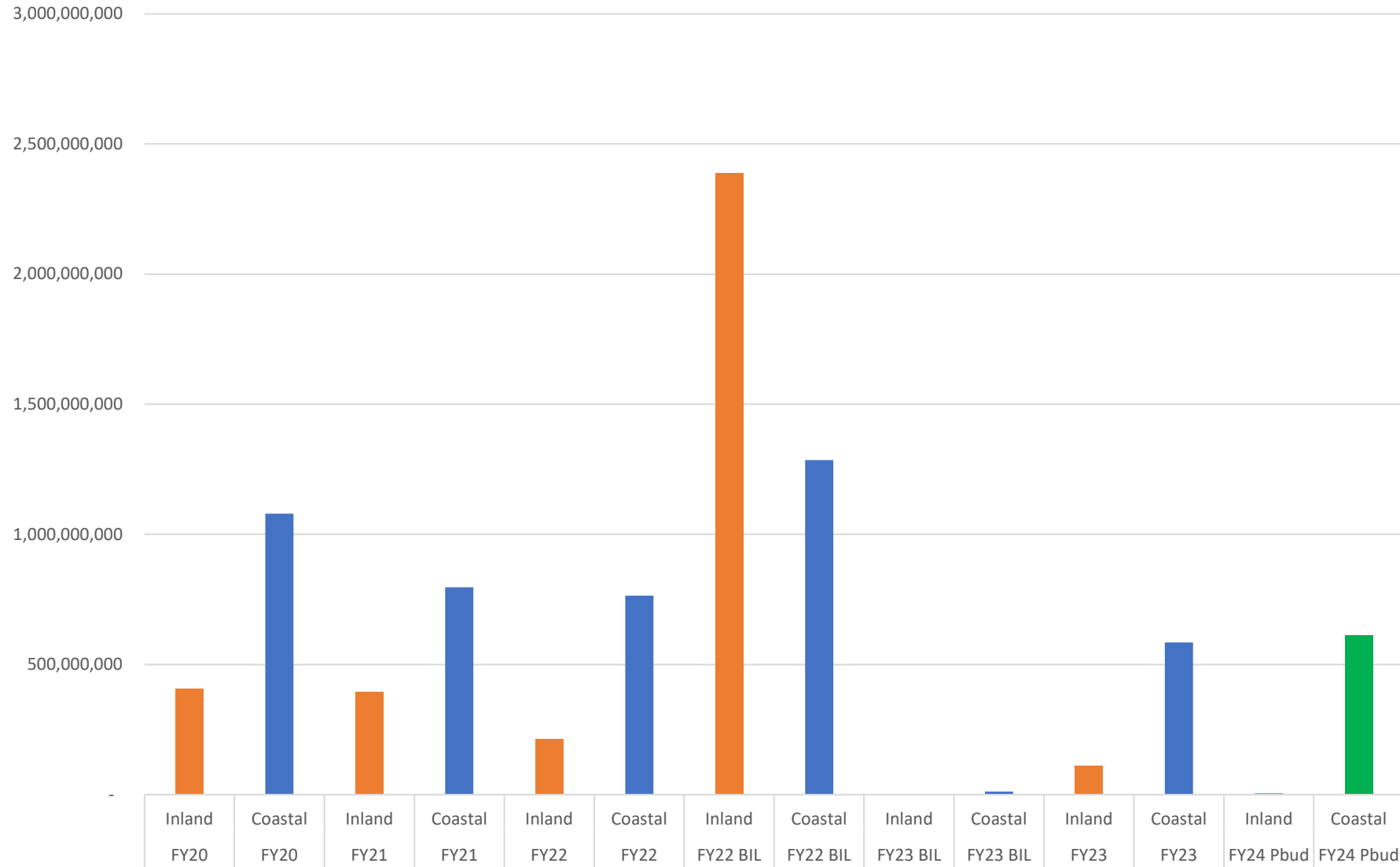




CONSTRUCTION FUNDING TRENDS

INCLUDES MR&T. DOES NOT INCLUDE REMAINING ITEMS

Construction



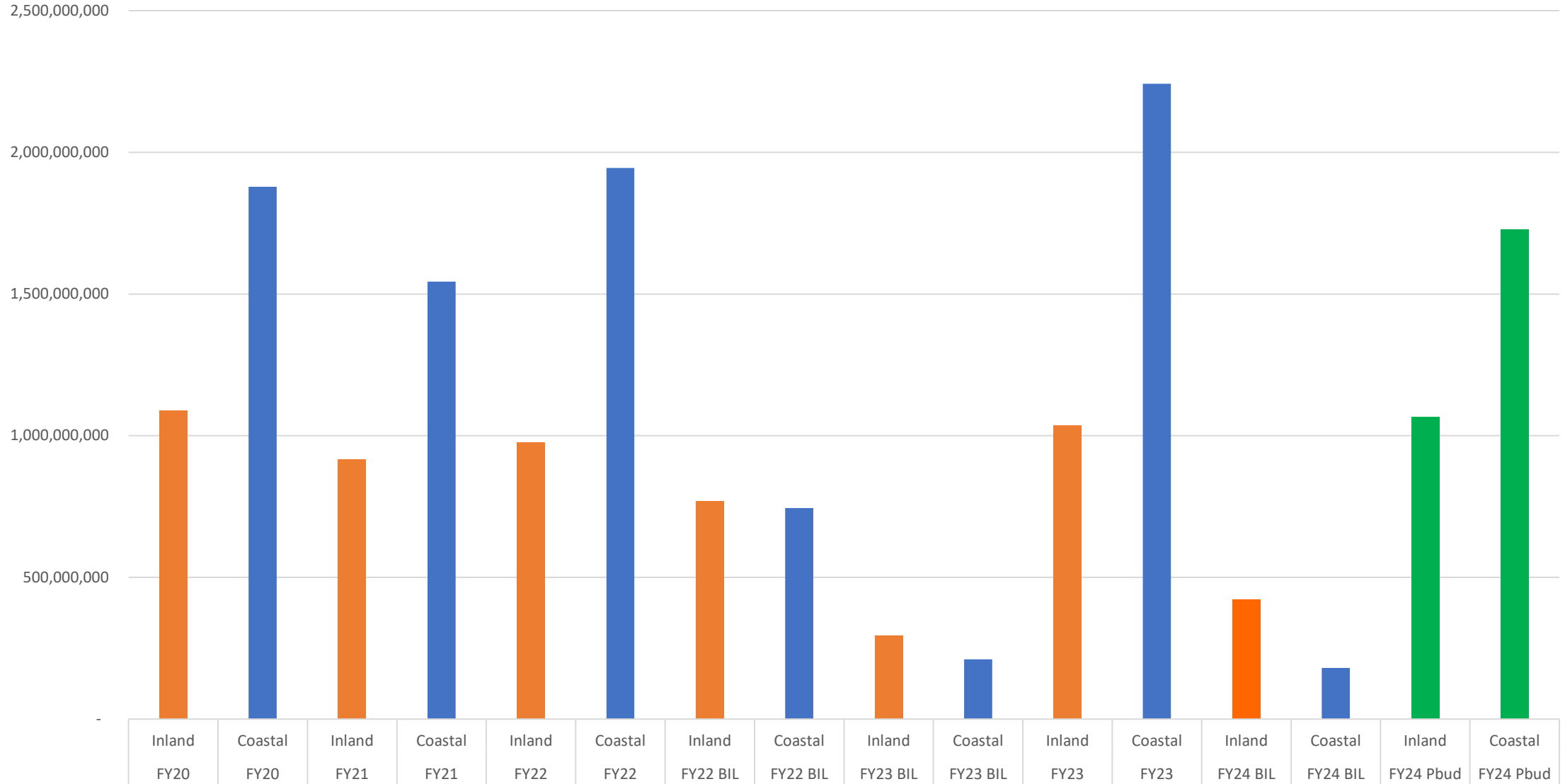


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O&M FUNDING TRENDS

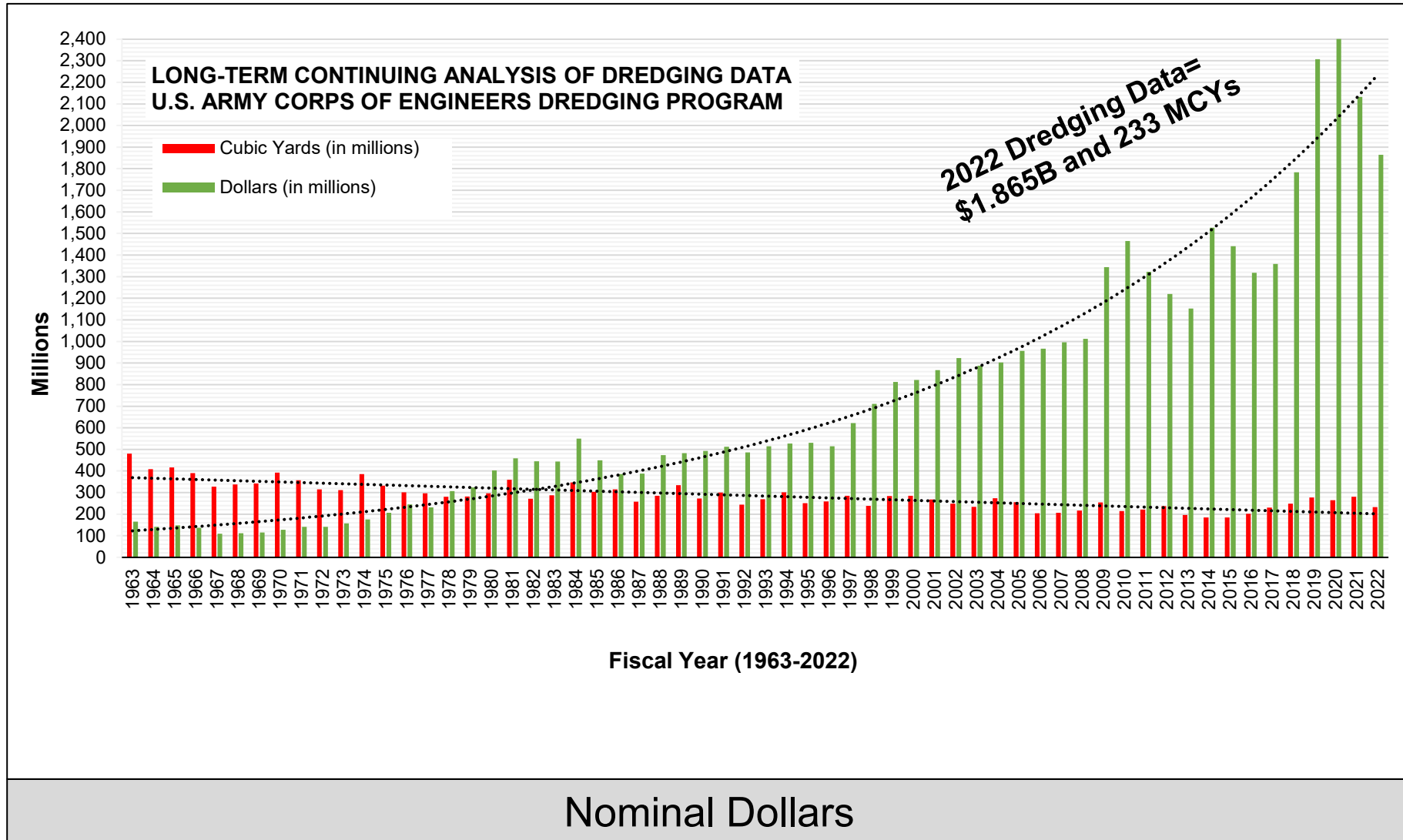
INCLUDES MR&T. DOES NOT INCLUDE REMAINING ITEMS OR JOINT COSTS

Operations & Maintenance



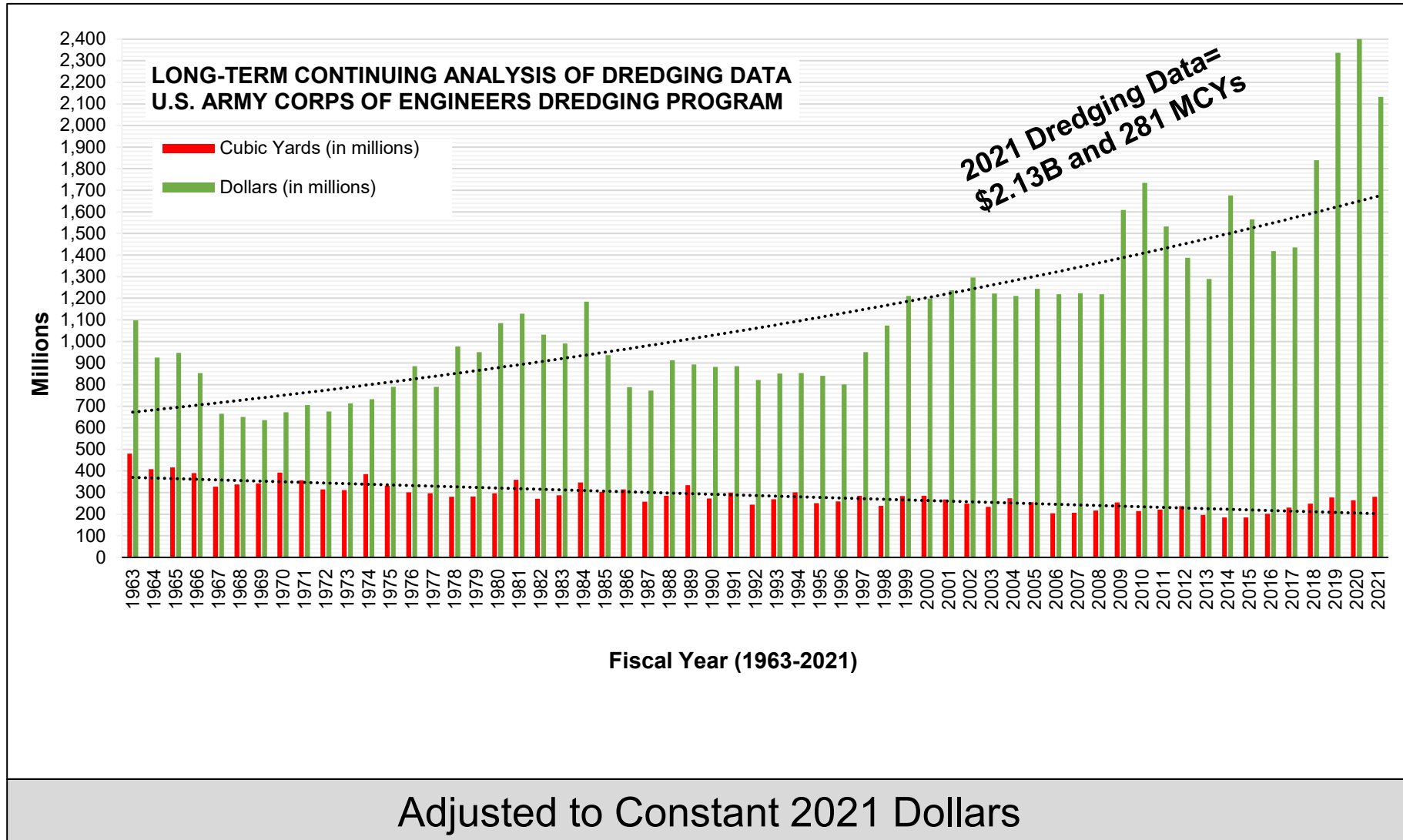


CHALLENGES TO NAVIGATION DREDGING





CHALLENGES TO NAVIGATION DREDGING





QUESTIONS?