

# Water Resources Reform and Development Act of 2014

**For Eastern Chapter,  
Western Dredging Association**

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Alliance of the Ports of Canada, the Caribbean, Latin America and the United States

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# American Association of Port Authorities

Representing Seaports of the Western Hemisphere for over 100 years!

- AAPA was established in 1912
- Since that time AAPA has been providing a space for collaboration and exchange of best practices
- Fostering collaboration among members and allied groups. We do this through:
  - Education and Training, PPM
  - Networking and one on one interaction
  - Legislative and Policy support
  - Outreach



# Key Points

- **WRRDA Passed!**
  - Highlights for Navigation
- **What's Next? Appropriations!**
  - Congress can't Hit HMT target without outside help
  - Administration – Walk the Talk!
- **Navigation's Role in Freight Movement**
  - 21<sup>st</sup> century Infrastructure investments
    - Channel Improvements and Channel Maintenance
  - Key to US economic growth

# WRRDA!

- Water Resources Reform and Development Act
- 2000, 2007, 2014
- Overwhelming bipartisan support
  - House, 412 - 4
  - Senate, 91 – 7
  - Signed into law  
June 10, 2014



# Why WRRDA matters to You

- **Navigation channels**
  - Essential to Freight Movement
  - Harbor Maintenance Tax, HMT
  - Inadequately Maintained Navigation Channels
  - Path to full use of HMT by 2025
  - Cost share depth modernization
- **Expanded use, emerging and underserved ports**
- **Authorize Navigation Channel Improvements**
- **Streamline the Corps of Engineers Navigation planning study process**

# WRRDA Funding Highlights

- **New approach – Baseline and Above Baseline**
- **Baseline: Traditional Corps approach**
  - Baseline is FY12 HMT funding, \$898 million
- **Above Baseline:**
  - 90/10 split for High & Moderate versus Emerging
  - 10% for Expanded Uses at HMT Donor Ports
  - 10% for Great Lakes harbors
  - 5% for Underserved Harbors
- **Separate authorization for Donor and Energy Transfer ports**

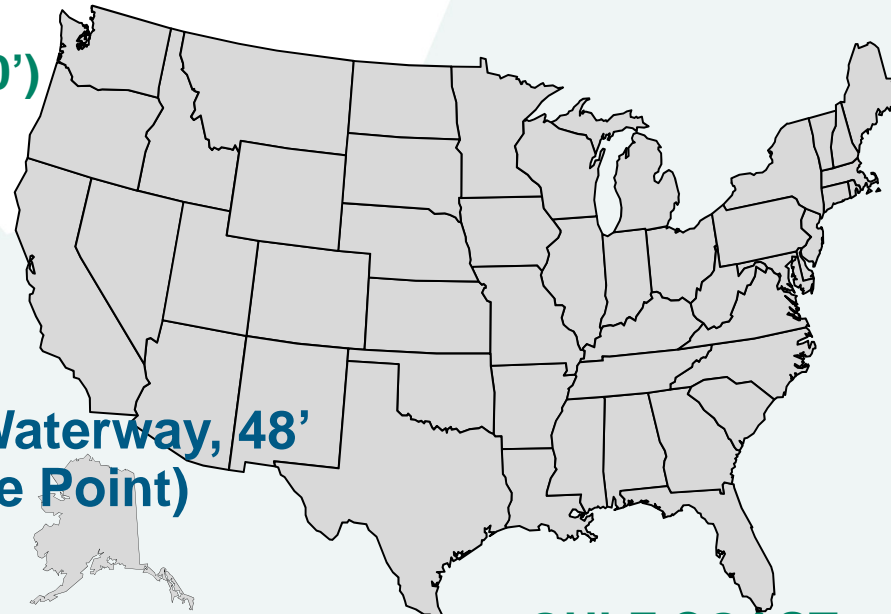
# US Harbors 45' or Greater

## WEST COAST

Seattle/Tacoma (>50')  
Oakland (50')  
LA/LB (>50')  
San Diego (47')

## WRRDA

Sabine Neches Waterway, 48'  
Jacksonville (Mile Point)  
Savannah, 47'  
Freeport, 56'  
Canaveral, 44'  
Boston, 47'  
Lake Worth, 39'  
Jacksonville, 47'



## EAST COAST

NY/NJ (50' underway)  
Baltimore (50')  
Hampton Roads (50')  
Charleston  
Morehead City  
Miami (50' underway)

## GULF COAST

Mobile  
New Orleans  
Houston/Galveston/Texas City  
Corpus Christi  
Freeport

# ... What's Next?

- **WRRDA implementation guidance w/Corps**
  - Navigation webinar and written comments on Sep 24
- **FY 2016 President's Budget**
  - Walk the Talk – State of the Union, Port visits
  - Hit the HMT Target!
  - Budget for new channel improvement construction starts



# Appropriations

## HMT TARGETS

|                 |                       |
|-----------------|-----------------------|
| <b>FY 2015</b>  | <b>67% of FY 2014</b> |
| <b>FY 2016</b>  | <b>69% of FY 2015</b> |
| <b>FY 2017</b>  | <b>71%</b>            |
| <b>FY 2018</b>  | <b>74%</b>            |
| <b>FY 2019</b>  | <b>77%</b>            |
| <b>FY 2020</b>  | <b>80%</b>            |
| <b>FY 2021</b>  | <b>83%</b>            |
| <b>FY 2022</b>  | <b>87%</b>            |
| <b>FY 2023</b>  | <b>91%</b>            |
| <b>FY 2024</b>  | <b>95%</b>            |
| <b>FY 2025+</b> | <b>100%</b>           |

| Fiscal Year | Pres Bud HMT | Pres Bud Const | Congress HMT       | Congress Const |
|-------------|--------------|----------------|--------------------|----------------|
| 2015        | \$915M       | \$ 97M         | \$1.166B*<br>House |                |
| 2014        | \$890M       | \$108M         | \$1.073B           |                |
| 2013        | \$848M       | \$151M         |                    |                |
| 2012        | \$758M       | \$117M         |                    |                |

\*House FY15 E&WD floor amendment added \$57.6M and passed 281-137!



# 'Hit the HMT Target!'

- **WRRDA incremental increases leading to full HMT use in 2025**
  - FY 2015 is first year
  - House hit the target, Senate about \$100 million short
- **'Hit the HMT Target!' campaign**
  - House and Senate letters
  - Chamber of Commerce letter for Stakeholders
- **Action:**
  - Mention during Hill visits
  - Pass the word!



# WRRDA Navigation Construction

| Project                     | Fed cost (\$M) | Non-Fed Cost      | Total cost | BCR |
|-----------------------------|----------------|-------------------|------------|-----|
| Sabine Neches Waterway      | \$748.07       | \$365.97          | \$1,114.04 | 1.3 |
| Jacksonville Hbr, Milepoint | \$27.87        | \$9.29            | \$37.16    | 1.4 |
| Savannah Harbor             | \$492.00       | \$214.00          | \$706.00   | 5.5 |
| Freeport Harbor             | \$121.00       | \$118.30          | \$239.30   | 1.9 |
| Canaveral Harbor            | \$29.24        | \$11.83           | \$41.07    | 2   |
| Boston Harbor               | \$216.47       | \$94.51           | \$310.98   | 7.2 |
| Lake Worth Inlet            | \$57.56        | \$30.98           | \$88.53    | 2   |
| Jacksonville Harbor Deepen  | \$362.00       | \$238.90          | \$600.90   | 2.7 |
| TOTAL:                      | \$2,054.21     | \$1,083.78        | \$3,137.98 |     |
| FY15 budget coastal Nav:    | \$97           |                   |            |     |
| Yrs to complete @ FY15 rate | 21.2           | yrs w/0 inflation |            |     |

# Navigation's Role in Freight Movement



# Freight Movement

- Key to 21<sup>st</sup> century economic growth
- Global marketplace – US is 5% of world population and 20% of consumption
- US exports are highly desired in global marketplace
  
- Freight movement through ports are critical to Jobs, economic growth, deficit reduction

# Is Dredging Important?

- **It's Critical!**
- **Safe, efficient movement of freight**
- **Freight performance measures**
  - Channel availability
  - Ship load/unload cycle time at the dock
  - Cargo time in the port
  - Truckers – wait time to pick up cargo
  - Intermodal distribution from dock to distribution center
  - Cargo owner: Ships to Shelves time
- **Highlight dredging/navigation role in freight movement**


# Infrastructure Week 2014 – Partnership and Collaboration at its best...

**\$3.1 TRILLION**  
cost to the U.S. Economy by 2020 without investment in infrastructure.



**INFRASTRUCTURE DELIVERS.**  
#rebuildrenew #infrastructureweek2014

**3.5 MILLION**  
new jobs added to the U.S. economy if infrastructure investment is made by 2020.



**INFRASTRUCTURE DELIVERS.**  
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**\$2.3 TRILLION**  
2013 U.S. merchandise imports



**INFRASTRUCTURE DELIVERS.**  
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Without investment in infrastructure the U.S. faces **\$473 BILLION** in lost export revenue.



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**\$1 TRILLION**  
increase in business revenue if infrastructure investment is made by 2020.



**INFRASTRUCTURE DELIVERS.**  
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Ports expect to invest **\$46 BILLION** in infrastructure over the next 5 years...  
**What are you doing?**



**INFRASTRUCTURE DELIVERS.**  
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# What will success look like?

- Full use of HMT revenues to fully maintain navigation channels
- A robust navigation studies and construction program
- Channel improvements that allow America to continue its freight movement competitive advantage throughout the 21st century.





# Recruiting

- Hit the HMT Target!
- Help strengthen the Navigation coalition
- Explain dredging/navigation role in freight movement

**Bold goal: Get Infrastructure recognition like AARP and NRA!**



# THANK YOU!

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