

# Washington Update for Gulf Coast WEDA

*Jim Walker, AAPA  
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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 then, AAPA has been providing a space for collaboration and exchange of best practices
- Fostering collaboration among members and allied groups through:
  - Education and Training
  - Networking and one on one interaction
  - Legislative and Policy support for U.S. ports
  - Outreach



# Topics

- **Freight movement, performance measures and navigation channels**
- **Legislation**
  - WRRDA 2014 and WRDA 2016
  - FY 2017 and 2018 Funding
- **AAPA/Corps Quality Partnership Initiative, QPI - Future endeavors**

# Freight Movement



# Freight Movement Performance Measures

- **Waterside: Navigation channel availability (Corps of Engineers)**
- **Ports: Cargo screening and Port Gate security (DHS)**
- **Landside: Intermodal connections, known as first mile/last mile**
  - **Roads and Rail (DoT)**
  - **Barges (Corps)**

# Freight Issues

- **Freight (goods) versus Transit (people)**
- **2015 West Coast labor issues resulted in congestion and delays**
- **Shipping company ‘alliances’ had additional impact**
- **Shippers (cargo owners) wanted greater visibility of freight movement and performance measures**
- **Public info: Corps Waterborne Commerce Statistics Center**

# USACE and Ports

- **Recommend Corps strategically align with ‘freight movement system’**
- **Keep waterside infrastructure in the discussion**
- **Implement ‘Channel Framework’ for expanded options for reporting channel availability**
- **Discuss how to define a ‘fully maintained’ channel (i.e. full depth at 90% of channel width)**
- **Establish baseline and track progress**
- **Be able to answer: What are the results of increased funding?**



# Funding Needed: 100% of HMT

## TARGETS

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

Water Resources and Reform Development Act (WRRDA) of 2014, Section 2101

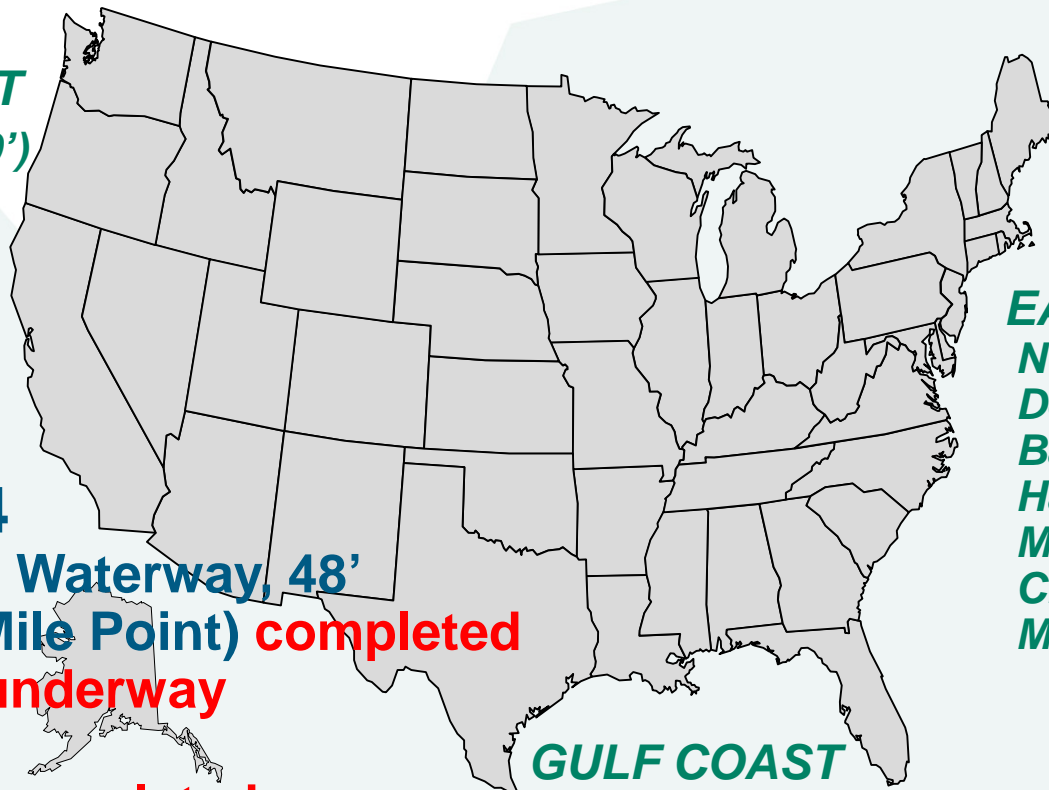




# America's 21<sup>st</sup> Century Navigation Channels

## US Harbors 45' or Greater

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



**EAST COAST**  
NY/NJ (50')  
Del. River (45' in 2017)  
Baltimore (50')  
Hampton Roads (50')  
Morehead City  
Charleston  
Miami (50')

**WRRDA 2014**  
Sabine Neches Waterway, 48'  
Jacksonville (Mile Point) **completed**  
Savannah, 47' **underway**  
Freeport, 56'  
Canaveral, 44' **completed**  
Boston, 47'  
Lake Worth, 39'  
Jacksonville, 47'

**GULF COAST**  
Mobile  
New Orleans  
Houston/Galveston/Texas City  
Corpus Christi  
Freeport

# Waterside: Channel Improvement Corps of Engineers Construction Program

- **PURPOSE:** Build 21<sup>st</sup> Century Infrastructure to address larger global shipping fleet
- **FUNDING:** Cost shared 50/50 or 75/25 Federal/Port, depending on depth
- **BUDGET:** \$105 million
- **RECEIVE:** \$200 million (Congress increased funds)
- **NEED:** \$300 million Federal per year
- **RESULT:** Only 2 navigation channels presently being deepened with Federal funds
- **IMPACT:** Inefficient transportation, higher cost hurts US goods competitiveness in global marketplace

# WRRDA 2014 Navigation Project Authorizations

## America's 21<sup>st</sup> Century Infrastructure?

Name	Depth	Cost, \$ Million		
		Federal	Non-Fed	Total
1 Sabine Neches Waterway	48	\$748	\$366	\$1,114
2 Jacksonville Hbr, Milepoint	N/A	\$28	\$9	\$37
3 Savannah Harbor	47	\$492	\$214	\$706
4 Freeport Harbor	56	\$121	\$118	\$239
5 Canaveral Harbor	46	\$29	\$12	\$41
6 Boston Harbor	47	\$216	\$95	\$311
7 Lake Worth Inlet	39	\$58	\$31	\$89
8 Jacksonville Hbr Deepen	47	\$362	\$239	\$601
<b>TOTAL:</b>		<b>\$2,054</b>	<b>\$1,084</b>	<b>\$3,138</b>
<b>FY17 Coastal Nav Const Budget:</b>		<b>\$105</b>		
<b>Completion at FY17 budget level:</b>		<b>19.6</b>	<b>Years (0 inflation)</b>	

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# 'Nav 1 Number' Graphics

- \$2.8 billion for the Corps Navigation program
- Simple, straightforward message: 'Hit the HMT Target!'
- Build and maintain 21<sup>st</sup> century US infrastructure
- US Jobs and Economic Growth!



**NAVIGATION  
STAKEHOLDERS  
CALL FOR \$2.8B  
FY17 CORPS NAVIGATION  
PROGRAM**

Competitive Ports and Inland Waterways Stimulate U.S. Jobs and Economic Growth.

**FROM NAVIGATION COALITION**  
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# Nav Supporter Funding Request

## We Urge Congress to Support \$2.8 Billion for the 2017 Corps Navigation Program

	2017 Stakeholders	2016 Enacted	2017 Pres Budget
<b>COASTAL NAVIGATION</b>	<b>\$1.545 B</b>	\$1.3908 B	\$1.009 B
Investigations	\$15 M	\$ 13.6 M	\$ 8 M
Construction	\$200 M	\$185.2 M	\$105 M
Operations & Maintenance	\$1.280 B	\$1.167 B	\$896 M
Donor and Energy Ports	\$50 M	\$ 25 M	\$ 0
<b>INLAND NAVIGATION</b>	<b>\$1.210 B</b>	\$1.1746 B	\$888 M
Investigations	\$20 M	\$ 19.6 M	\$ 14 M
Construction	\$390 M	\$402 M	\$243 M
Operations & Maintenance	\$800 M	\$753 M	\$631 M
<b>MS RIVER &amp; TRIBUTARIES</b>	<b>\$45 M</b>	\$46.1 M	\$ 37 M
<b>TOTAL NAVIGATION</b>	<b>\$2.800 B</b>	<b>\$2.614 B</b>	<b>\$1.934 B</b>

# FY17 Coastal Navigation Funding\*

\* AAPA Estimate of Programmatic Funds Distr

Account	President's Budget	House	Senate
Investigations	8	11	16
Construction	105	205	200
Oper & Maint	896	1214	1211
MS River & Trib	<u>8</u>	<u>17</u>	<u>10</u>
Coastal Nav Total	1017	1447	1437

# Building America's 21<sup>st</sup> Century Seaport Infrastructure

## AAPA 2016 Presidential Platform

- Provide information to Campaigns and Ports
- Convey importance of ports to the Nations economic future
- Identify Federal investment needs
- Seek commitments
- Stretch goal is a debate question: **What are your plans to build America's 21<sup>st</sup> century seaport infrastructure?**



# AAPA 2017 Objectives

- Outreach to New Administration Transition Team, ASA(CW) and Congressional members
- Develop waterside infrastructure funding request for Infrastructure investment campaign commitment
- AAPA internal agreement on permanent full HMT use and expanded donor equity
- Tax reform opportunity for HMT off budget
- Educate to adjust 'Trade' negative perceptions
- WRDA 2018

# AAPA/Corps Quality Partnership Initiative

- **2004 Memorandum of Agreements between AAPA and Corps, AAPA and ASA(CW)**
- **Improve understanding and streamline processes between ports and Corps**
- **2011 MOA renewal**
- **2012 QPI Recommendations (25)**
  - **Authorities**
  - **Product Delivery**
  - **Communication and Collaboration**

# 2012 QPI Recommendation Examples

	RECOMMENDATION	STATUS
A-1	Allow Sponsors to hire the Corps for Feasibility Study economic reviews	In WRDA 2016
PD-1	Present Planning Modernization Initiative to H&N community via webinar	Completed
PD-2	Evaluate and adjust Independent External Peer Review process.	Completed
PD-8	Develop pre-approved economic models for navigation studies	Completed
CC-6	Identify and share Best Practices	Completed

# New QPI Actions

	ACTION ITEM	TEAM
1	Beneficial uses of dredged material and the Federal Standard	PD
2	Project Partnership Agreements and pipeline removals	A
3	Dredged Material Management Plans (DMMP) streamline process	PD
4	Contributed Funds – pursue annual Congressional report rather than pre-acceptance notice	PD
5	Improve NEPA coordination of Sections 404 and 408	PD

# New QPI Actions

	ACTION ITEM	TEAM
6	Sponsor funding for Corps Section 214 (Regulatory) and Section 408 (Engineering) analysis	PD
7	Stakeholder engagement checklist – identify best practices	CC
8	Dredged material placement area tipping fees – construction cost versus market value	A
9	Pursue Section 408 guidance specific for Navigation	PD
10	Sponsor notification of when new guidance issued	CC

# New QPI Actions

	ACTION ITEM	TEAM
11	Establish delivery and acceptance of Federal responsibility for maintenance of Sponsor channel improvements	PD
12	Establish process to engage Sponsor in disposal of real estate easements no longer needed for the project	PD
	November AAPA/Corps webinar to identify additional QPI Actions	

# Summary – Seeking your support

- Join us on H&N/QPI efforts, especially AAPA/Corps webinars
- America's economic growth depends on trade
- Emphasize the need to build and maintain 21<sup>st</sup> century maritime infrastructure
- AAPA can advocate for funding. Help us help you



**Thanks for all you do!**



# THANK YOU!

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# Waterside: Channel Maintenance Harbor Maintenance Tax, HMT

- **PURPOSE:** Fund navigation channel maintenance (100%)
- **TAX:** 0.125% of import cargo value. No HMT on exports.
- **REVENUE:** \$1.8 billion
- **RECEIVE:** \$1.2 billion
- **RESULT:** Poorly maintained channels – ship draft restrictions, delays for 1-way traffic or awaiting tides
- **IMPACT:** Increased transportation cost, adverse US goods competitiveness in global marketplace