

Port Challenges & Opportunities

Waterways Council, Inc.

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American Association of Port Authorities

AAPA was established in 1912

- Since that time, AAPA has provided opportunities for collaboration and exchange of best practices, and
- 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
- Environmental awards started 44 years ago
- Government Relations provided for U.S. members



Challenges & Opportunities

- **Corps Navigation Program Funding**
- **2017 Legislation Opportunities -**
 - Infrastructure Investment
 - WRDA 2018
- **WCI recruiting on Corps issues**

Building America's 21st Century Seaport Infrastructure
For job creation, economic growth and secure borders

23 MILLION
AMERICAN JOBS
SUPPORTED BY SEAPORTS

\$6 BILLION+
VALUE OF GOODS HANDLED
BY SEAPORTS EACH WEEKDAY

\$321 BILLION
A YEAR IN TAX REVENUE
GENERATED BY PORT ACTIVITY

\$4.6 TRILLION
VALUE OF ECONOMIC ACTIVITY
RELATED TO SEAPORTS ANNUALLY

\$66 BILLION
NEEDED FOR PORT-RELATED
INFRASTRUCTURE
OVER THE NEXT 10 YEARS

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

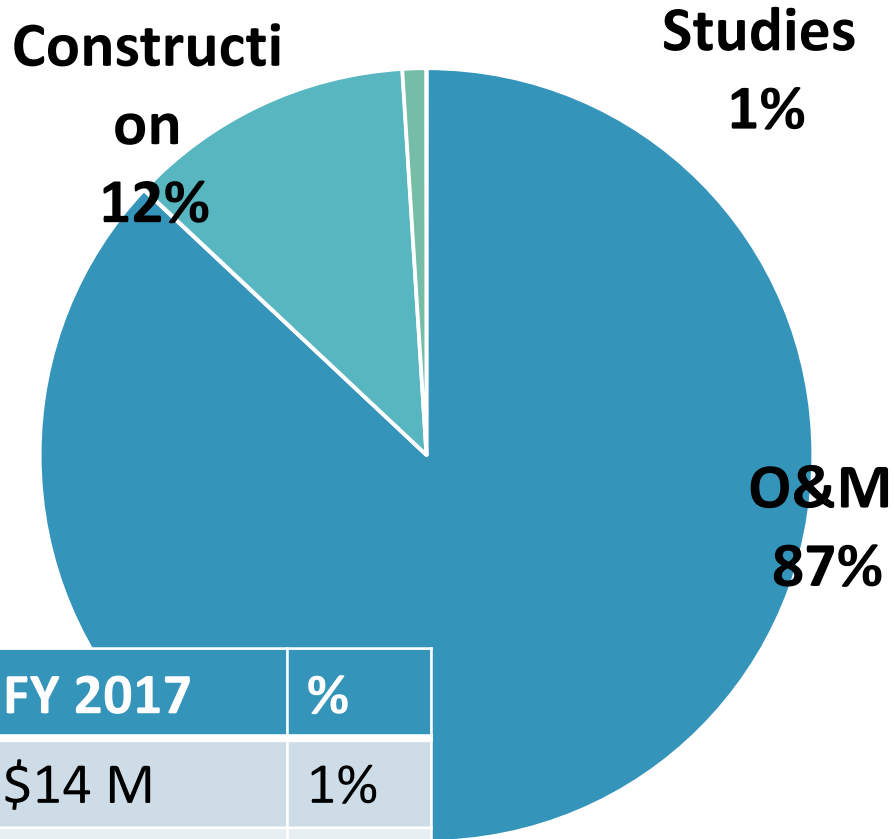
	2018 Stakeholders	2017 House/Senate *estimated	2017 Pres Budget
COASTAL NAVIGATION	\$1.615 B	\$1.449/\$1.493 B	\$1.009 B
Investigations	\$ 15 M	\$14.75/\$15.5 M	\$8 M
Construction	\$250 M	\$227.5/\$218.7 M	\$105 M
Operations & Maintenance	\$1.300 B	\$1207/\$1209 M	\$896 M
Donor and Energy Ports	\$50M	\$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 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
COASTAL NAVIGATION	\$967 M	\$980 M	\$991 M	\$973 M	\$1.017 B	\$1.079 B
Investigations	\$17 M	\$16 M	\$17 M	\$18 M	\$14 M	\$11 M
Construction	\$151 M	\$108 M	\$97 M	\$81 M	\$105 M	\$133 M
Oper & Maint	\$799 M	\$855 M	\$877 M	\$874 M	\$898 M	\$935 M
Donor and Energy Ports	N/A	N/A	\$0	\$0	\$0	\$0

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

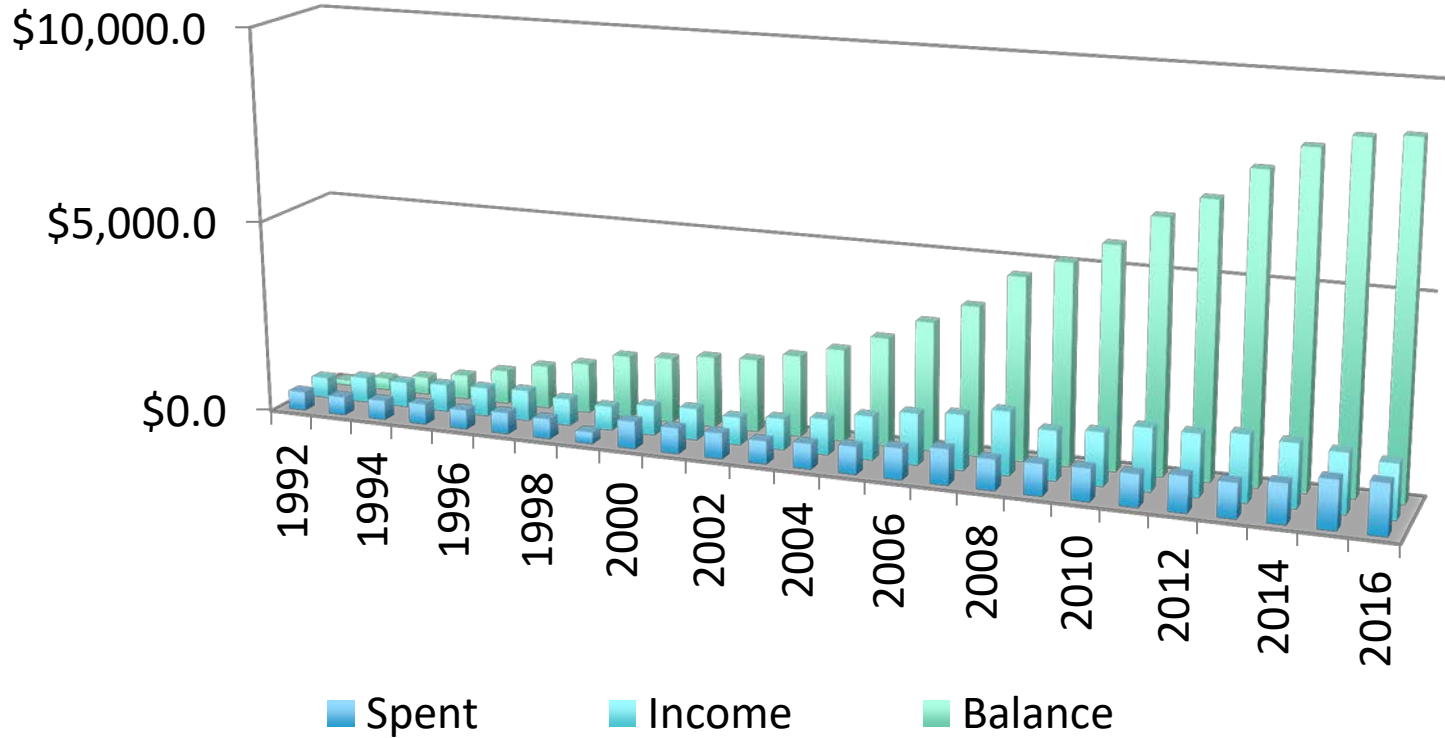
*AAPA estimate of coastal navigation portion of additional navigation funds

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%

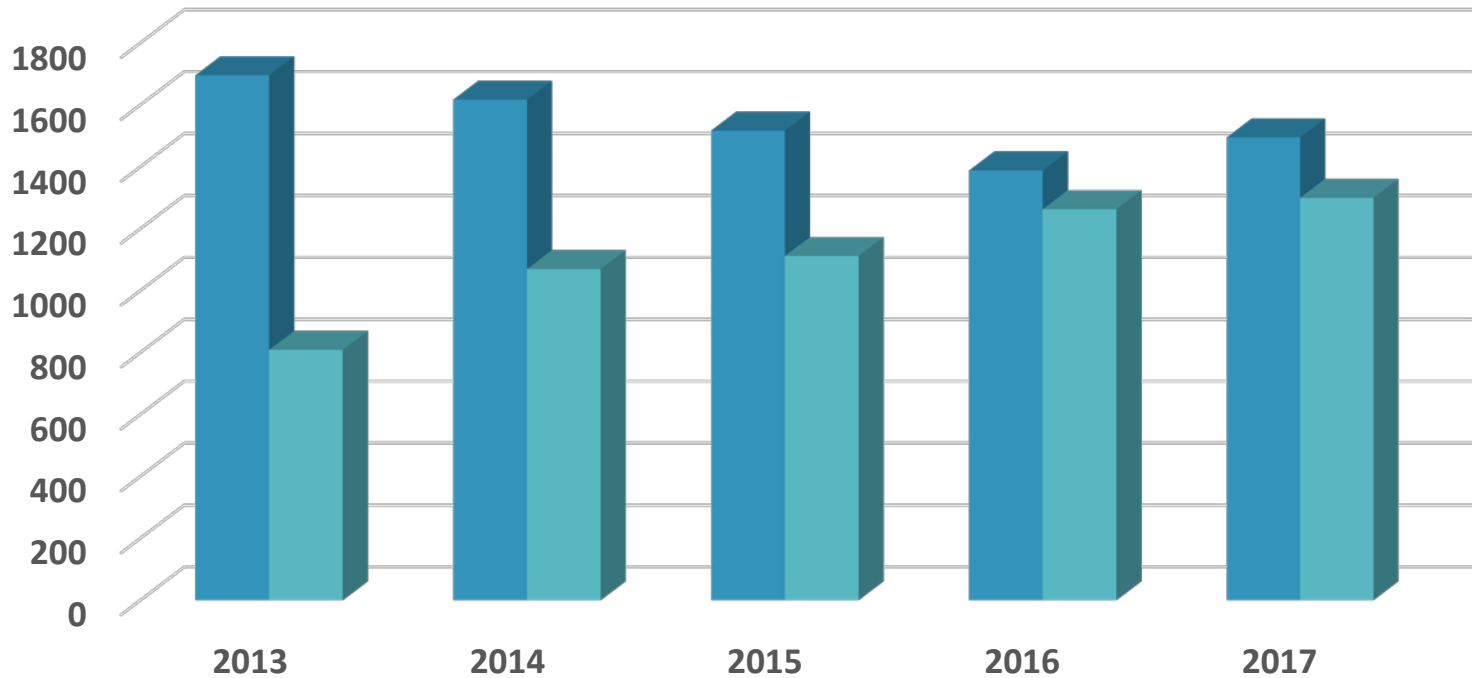
Harbor Maintenance Trust Fund, 1992-2016



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”

- How is this defined?
- Full depth and width available
- Jetties, breakwaters and other navigation support structures are well maintained
- Dredged material placement facilities have sufficient years of capacity remaining

- 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
- These Federal investments are needed for Ports to realize a return for over \$155 billion in planned capital investments from 2016-2020

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.



Maritime role in U.S. Economy

- **21st century U.S. economic growth is directly linked to global trade**
- **95% of world population and 80% of consumption is outside of U.S.**
- **26% of GDP**
- **Maritime infrastructure - Ports, ships and navigation channels are essential to global trade and economic growth!**

Estimates - an appeal to the Corps

- 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 AN ENGINEER!**
- Draw on your post-hurricane experiences
- You are the subject matter expert
- Be responsive – don't miss funding opportunities!

THANK YOU!

- to organizations like WCI for your support and advocacy;
- to Appropriators for funding;
- to Congressional members that see this as a national issue for inland as well as coastal states
- These are important investments for 21st century freight movement
- Please help us educate and advocate for maritime infrastructure

