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AAPA Perspectives: Port Harbor Maintenance and HMTF

*Fall Waterways Symposium
Waterways Council*

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American Association of Port Authorities
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2018, A Remarkable Year!

- **January:** AAPA agreement on HMT Funding Solution
- **February:** Corps receives \$17.4 billion in supplemental Approps
- **March:** FY '18 Approps approved
- **May/June:** WRDA '18 legislation released
- **September:** FY'19 Corps Approps approved (1st on time approps since '04)
- **Sep/Oct:** House/Senate pass America's Water Infrastructure Bill (WRDA), Signed by President Oct 23

WRDA 2018

- Directs Corps to provide technical assistance when requested
- Directs Corps to maintain and provide a 'balance sheet' on cost-shared funding efforts
- Requires a maintenance backlog report that will inform progress being made on navigation channel and supporting assets being well maintained (aligns with AAPA HMT efforts)
- Increases stakeholder involvement in Corps policy development
- Directs a National Academy of Sciences study on the Corps' organizational structure

FY'19 Corps Navigation Approps

	Pres Budget	Cong Add*	Total*
TOTAL NAVIGATION	\$1.93 B	\$1.287 B	\$3.217 B
Coastal Navigation	\$1.08 B	\$1.003 B	\$2.083 B
Inland Navigation	\$0.85 B	\$0.284 B	\$1.134 B

2019 HMT
\$1.54B

91%
 of FY18 HMT
 revenues
 (est*)

2018 HMT
\$1.4B

*AAPA estimate of funds distribution

Navigation Funds Request

The graphic features a background of a port facility with a yellow and orange color scheme. A red arrow points from the text '\$3.3 billion' in a blue-bordered box to the word 'NEED' in the main text. The main text is in large, bold, white letters with a blue outline. To the right is a 2x2 grid of icons: an American flag, a truck, a train, and a ship. Below the icons is the slogan 'AMERICA: KEEP IT MOVING' in blue and red. At the bottom, contact information for the Navigation Coalition is provided.

\$3.3 billion

**NAVIGATION
STAKEHOLDERS
NEED \$3.0B
FY19 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
POC: JIM WALKER • JWALKER@AAPA-PORTS.ORG * 703-706-4715

- Nav 1 led by AAPA and WCI with regional associations
- What do we think the Nav program should be?
- Advocate a uniform message – positive with Appropriators

FY'19 Funds Request

	2019 Stakeholders	2018 Omnibus	2019 Pres Budget
COASTAL NAV	\$1.921 B	\$1.787 B	\$1.080 B
Investigations	\$19 M	\$19 M	\$7 M
Construction	\$380 M	\$358 M	\$139 M
Oper & Maintenance	\$1.472 B	\$1.370 B	\$934 M
Donor & Energy Ports	\$50 M	\$40 M	\$0 M
INLAND NAV	\$1.339 B	\$1.249 B	\$817 M
Investigations	\$15 M	\$16 M	\$7 M
Construction	\$400 M	\$401 M	\$37 M
Oper & Maintenance	\$920 M	\$832 M	\$773 M
MS RIVER & TRIBUTARIES	\$40 M	\$57 M	\$33 M
TOTAL NAVIGATION	\$3.300 B	\$3.093 B	\$1.930 B

AAPA Priorities for 2019...

- **Infrastructure Legislation: \$66 billion & HMT**
 - **\$32 billion** for landside infrastructure investments
 - **\$34 billion** for waterside infrastructure investments, consisting of:
 - \$18.6 billion** full use of annual HMT revenues
 - \$9.2 billion** HMT unappropriated tax collections
 - \$3.1 billion** for authorized channel improvements
 - \$3.1 billion** for upcoming channel improvements
- **AAPA will advocate for its HMT full use legislative proposal**
- **WRDA 2020: Develop AAPA requests**

The AAPA HMT Funding Solution

3 Key Points:

- Guarantees full use of annual HMT budget resources
- Establishes a funding framework that provides flexibility for Appropriator distribution decisions
- Addresses Port funding concerns for equitable distribution and fairness

AAPA HMT Proposal – Funding Framework

Full use of annual HMT Budget Resources: primary focus on maintenance dredging

Framework components:

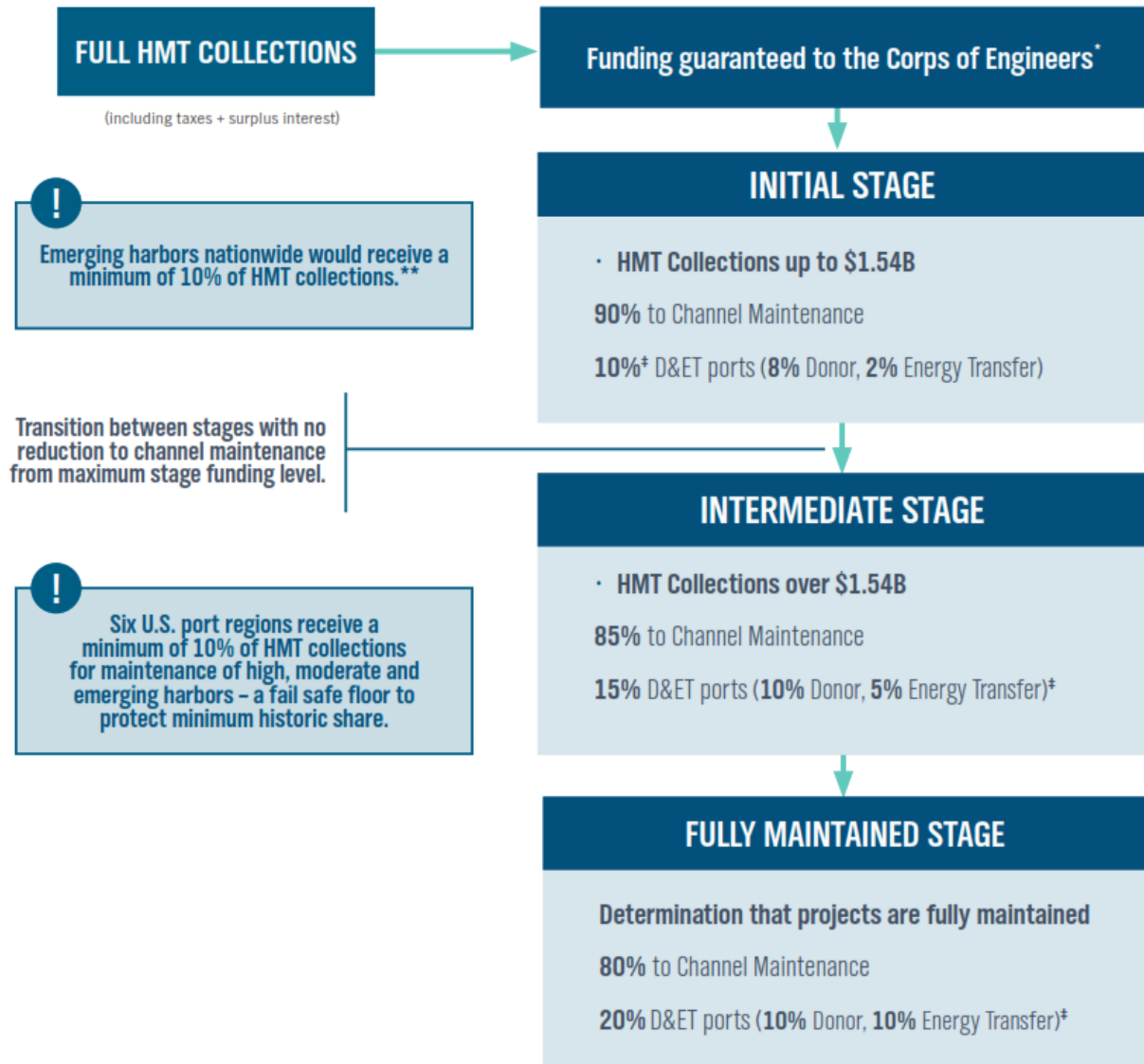
- 1) Assure at least 10% of total HMT budget resources to Emerging Harbors (expands present practice)
- 2) Assure at least 10% of total HMT budget resources to each of 6 regions (remain consistent with past practice)
- 3) Provide increased funding for Donor and Energy Transfer (D&ET) ports based on what the industry agrees is fair

To be implemented using the
3-phase approach on the next slide

3-Phase Approach

FOR U.S. PORTS, MAINTENANCE IS THE HIGHEST PRIORITY.

A 3-stage plan to restore and fully maintain the nation's water highways using existing revenues – NO NEW TAXES



* Less St Lawrence Seaway maintenance and Customs HMT collection cost

** Emerging harbors are defined as those harbors that handle less than 1 million tons of cargo annually.

† Expand HMT eligible uses

HMT success will require **unified and vocal** support

- **Port stakeholders letter to Congressional leaders – terminals, trades, cargo owners**
- **Congressional Coordination**
 - We need legislative champions
 - Congressional Coordination in 3 Phases:
 - Education
 - Congressional Letter to Leadership
 - Support for Legislation

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.
- More than a quarter of the U.S. GDP
- Maritime infrastructure - Ports, ships and navigation channels are essential to global trade and economic growth!