

USACE Navigation Funding Update

*AAPA Harbors and Navigation
Committee Meeting
Washington, DC*

Jeff McKee
Navigation Branch
HQUSACE

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US Army Corps of Engineers
BUILDING STRONG®



Navigation Funding

- FY 2013 Appropriations
- Supplemental Appropriations
- Sequestration
- FY 2014 Budget



President's Budgets

(\$millions)

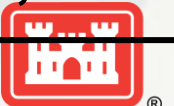
Pres Bud	Coastal	Inland	Nav	CW total	Nav Percent
FY13	\$967	\$780	\$1,747	\$4,731	37
FY12	\$832	\$744	\$1,575	\$4,631	34
FY11	\$873	\$779	\$1,652	\$4,939	33
FY10	\$971	\$796	\$1,767	\$5,125	35
FY09	\$969	\$931	\$1,900	\$4741	40
FY08	\$957	\$1052	\$2,009	\$4,900	41



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Navigation Budget by Appropriation (\$millions)

Pres Bud Fiscal Year	Investigations	Construction	O&M	MR&T	Total Nav
FY 13	\$25	\$352	\$1,326	\$44	\$1,747
FY 12	\$18	\$283	\$1,237	\$37	\$1,575
FY 11	\$19	\$291	\$1,297	\$45	\$1,652
FY 10	\$19	\$288	\$1,411	\$48	\$1,767
FY 09	\$20	\$495	\$1,346	\$39	\$1,900
FY 08	\$19	\$572	\$1,383	\$35	\$2,009



FY13 O&M Budget Coastal Navigation

Category	Inventory	Commerce	FY13 O&M Projects	FY13 O&M Funds	FY12 O&M Proj.	FY12 O&M Funds
High Use	59	90%	56	66%	54	62%
Moderate Use	100	9%	52	19%	61	25%
Low Use	908	1%	63	5%	41	6%
Other				10%		7%
Total	1067	100%	171	100%	156	100%

- High Use > 10 M tons/yr, Moderate 1 -10 M tons/yr, Low < 1 M tons/yr
- Prior to FY12 we adjusted to budget decreases by minor reductions at almost all nav projects.
- The low use category was proposed as a program for 50% reduction in the FY12 budget development; This was a 50% dollar reduction, not a 50% projects reduction
- ‘Other’ includes Nav R&D, Project Condition Surveys, Remaining Items, etc.



FY13 O&M Budget Inland Navigation

Category	Rivers/ Waterways	IWTF Locks	Commerce Ton-Miles	FY13 O&M	FY12 O&M	FY11 O&M
High Use	5	79	95%	72%	66%	66%
Moderate Use	6	49	4%	21%	27%	23%
Low Use	16	45	1%	7%	7%	11%
Total	27	173	100%			

- Low commercial use projects took a 50% reduction in FY12 budget.
- High Use > 3 B ton-miles/ yr, Moderate 1 – 3 B ton-miles/yr, Low < 1 B ton-miles/yr



Funding Uncertainty

- FY 2013 Appropriations
 - ▶ Operating under a Continuing Resolution through March 27, 2013
 - ▶ Year-long Continuing Resolution likely
 - ▶ Appropriation amount?
- Sequestration enacted 1 March 2013
- Fiscal Cliff?
- Debt Ceiling?
- Supplemental Appropriations
 - ▶ Hurricane Sandy
 - ▶ Drought Supplemental unlikely
- FY 2014 Budget?



Sequestration Impacts

ACCOUNT	FY 2012 ENACTED	ENACTED MINUS SEQUESTER	FY 2013 BUDGET	DELTA OVER / UNDER BUDGET WITHOUT SEQUESTER	DELTA OVER / UNDER BUDGET WITH SEQUESTER
INVESTIGATIONS	125	119	102	23	17
CONSTRUCTION	1694	1609	1471	223	138
O&M	2412	2291	2398	14	-107
MR&T	252	239	234	18	5
FUSRAP	109	104	104	5	0
FC&CE	27	26	30	-3	-4
EXPENSES	185	176	182	3	-6
REGULATORY	193	183	205	-12	-22
OASA(CW)	5	5	5	0	0
TOTAL	5002	4752	4731	271	21 [®]

Disaster Relief Appropriations Act, 2013

- Focus is on Flood Risk Management projects
- Restricted to damages from Hurricane Sandy
- Investigations - \$50 M - Flood Risk
- Construction - \$3.461 B - Flood Risk
- O&M - \$821 M - Dredging & damages
- FCCE - \$1.008 B - Flood Risk
- Expenses - \$10 M
- Subject to Sequestration ~\$268 M



Supplemental Appropriations for Disaster Assistance

- Drought - No Supplemental at this time
 - ▶ Significant costs on Mississippi River funded in lieu of originally budgeted work
 - ▶ All Great Lakes levels below long-term averages
 - ▶ Great Lakes below International Datum
 - Lake Superior ~ 11 inches below datum
 - Lakes Michigan & Huron ~ 15 inches below datum
 - Erie and Ontario at lowest levels, but not below datum



Navigation Coastal Funding Needs

- Estimated \$1.5 B needed annually over 5 years to restore authorized dimensions for high and moderate commercial use coastal channels and harbors
- Additional \$500 M needed annually for low commercial use projects
- Estimated \$1.2 B needed annually after that to maintain authorized dimensions for high and moderate commercial use coastal channels and harbors
- Additional \$300 M needed annually for low commercial use projects



Navigation Message

- Navigation funding is an essential component for the Nation's Global trade
- HMTF needed for future channel maintenance
- America's Marine Transportation System infrastructure must become a National priority in order to get adequate funding
- Need national commitment to shipping, global trade and navigation infrastructure
- Navigation funding is key to Economy, Jobs, and Exports!

