U.S. Army Corps of Engineers
Navigation Fiscal Overview
National Dredging Meeting

Jeffrey A. McKee
Chief, Navigation Branch
US Army Corps of Engineers

June 24-26, 2014
Corps Navigation Mission

Provide safe, reliable, efficient, effective and environmentally sustainable waterborne transportation systems for movement of commerce, national security needs, and recreation.
Historical Investments by USACE Functional Category
1928 to 2011

Billions of FY 2011 Dollars

Capacity Building

~$70.00 per person in the US!

~$56.00 per person in the US!

~$18.00 per person in the US!
Long Term Civil Works Funding Trends

Appropriation ($Million in 2012 $)

- O&M
- Constr
- Invest

Global Navigation & Inland Waterway Investments

- China plans to invest $32 Billion in Yangtze River port & navigation development, 2011-15

- Brazil is investing $27 Billion in ports over the next 4-5 years

- The Army Corps of Engineers’ 2015 Navigation budget is $1.8 Billion
USACE Navigation Assets

COASTAL NAVIGATION
1,067 Navigation projects
19 Lock chambers
13,000 Miles of channels
929 Navigation structures
844 Bridges

INLAND NAVIGATION
27 Inland River Systems
207 Lock chambers @ 171 lock sites
12,000 Miles of inland river channels
National Priorities for Budgeting

A. Provide for National Defense
B. Reduce the Deficit
C. Create Jobs and Restore the Economy
D. Improve Resiliency and Safety of Communities and Infrastructure
E. Restore and Protect the Environment
F. Maintain Global Competitiveness
G. Increase Energy Independence and Renewable Energy
H. Improve Quality of Life
I. Support Research and Innovation that leads to American Jobs and Industries

Navigation has a key role in all of these!
FY 15 Budget

• Budget is performance based.
• Focuses on highest performing projects and programs with high economic, environmental, and public safety returns to the nation.
• Emphasizes operation and maintenance of infrastructure to address critical infrastructure needs and provide a reliable and resilient system.
• Provides a fiscally prudent investment in Nation’s water resources infrastructure making tough decisions to put the nation on a fiscally prudent path.
• Navigation focuses on high commercial use coastal harbors and channels with > 10 million tons of commerce; and inland and intracoastal waterways with > 3 billion ton-miles of commerce.
## President’s Budgets

($millions)

<table>
<thead>
<tr>
<th>Pres Bud</th>
<th>Coastal</th>
<th>Inland</th>
<th>Nav</th>
<th>CW total</th>
<th>Nav Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 15</td>
<td>$991</td>
<td>$834</td>
<td>$1,825</td>
<td>$4,561</td>
<td>40</td>
</tr>
<tr>
<td>FY 14</td>
<td>$980</td>
<td>$904</td>
<td>$1,884</td>
<td>$4,826</td>
<td>39</td>
</tr>
<tr>
<td>FY 13</td>
<td>$967</td>
<td>$780</td>
<td>$1,747</td>
<td>$4,731</td>
<td>37</td>
</tr>
<tr>
<td>FY 12</td>
<td>$832</td>
<td>$744</td>
<td>$1,575</td>
<td>$4,631</td>
<td>34</td>
</tr>
<tr>
<td>FY 11</td>
<td>$873</td>
<td>$779</td>
<td>$1,652</td>
<td>$4,939</td>
<td>33</td>
</tr>
<tr>
<td>FY 10</td>
<td>$971</td>
<td>$796</td>
<td>$1,767</td>
<td>$5,125</td>
<td>35</td>
</tr>
<tr>
<td>FY 09</td>
<td>$969</td>
<td>$931</td>
<td>$1,900</td>
<td>$4741</td>
<td>40</td>
</tr>
<tr>
<td>FY 08</td>
<td>$957</td>
<td>$1052</td>
<td>$2,009</td>
<td>$4,900</td>
<td>41</td>
</tr>
</tbody>
</table>
## Navigation Budget by Appropriation ($millions)

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Investigations</th>
<th>Construction</th>
<th>O&amp;M</th>
<th>MR&amp;T</th>
<th>Total Nav</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 15</td>
<td>$22</td>
<td>$277</td>
<td>$1,487</td>
<td>$39</td>
<td>$1,825</td>
</tr>
<tr>
<td>FY 14</td>
<td>$23</td>
<td>$345</td>
<td>$1,461</td>
<td>$55</td>
<td>$1,884</td>
</tr>
<tr>
<td>FY 13</td>
<td>$25</td>
<td>$352</td>
<td>$1,326</td>
<td>$44</td>
<td>$1,747</td>
</tr>
<tr>
<td>FY 12</td>
<td>$18</td>
<td>$283</td>
<td>$1,237</td>
<td>$37</td>
<td>$1,575</td>
</tr>
<tr>
<td>FY 11</td>
<td>$19</td>
<td>$291</td>
<td>$1,297</td>
<td>$45</td>
<td>$1,653</td>
</tr>
<tr>
<td>FY 10</td>
<td>$19</td>
<td>$288</td>
<td>$1,411</td>
<td>$48</td>
<td>$1,767</td>
</tr>
<tr>
<td>FY 09</td>
<td>$20</td>
<td>$495</td>
<td>$1,346</td>
<td>$39</td>
<td>$1,900</td>
</tr>
<tr>
<td>FY 08</td>
<td>$19</td>
<td>$572</td>
<td>$1,383</td>
<td>$35</td>
<td>$2,009</td>
</tr>
<tr>
<td>FY 07</td>
<td>$23</td>
<td>$596</td>
<td>$1,270</td>
<td>$37</td>
<td>$1,926</td>
</tr>
</tbody>
</table>
Current Infrastructure Situation

- Channels and harbors are not maintained to authorized dimensions.
- Much of our economic and physical security and quality of life depends on infrastructure that is wearing out faster than it is being replaced or rehabilitated.
- Decreasing reliability of locks and other navigation infrastructure impedes transportation of goods.
- A direct relationship exists between increasing age and increasing needs for maintenance, rehabilitation, replacement and repurposing.
- 21st Century needs are different or greater than those of the last century.
Navigation Coastal O&M 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
Summary

• Navigation funding is an essential component for the Nation’s Global trade
• HMTF revenues needed to maintain channels
• Additional IWTF revenues needed for future infrastructure investment
• 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
• Current business model is not sustainable – need public/private investment and/or divestiture
• Navigation funding is key to Economy, Jobs, and Exports!