

USACE NAVIGATION UPDATE

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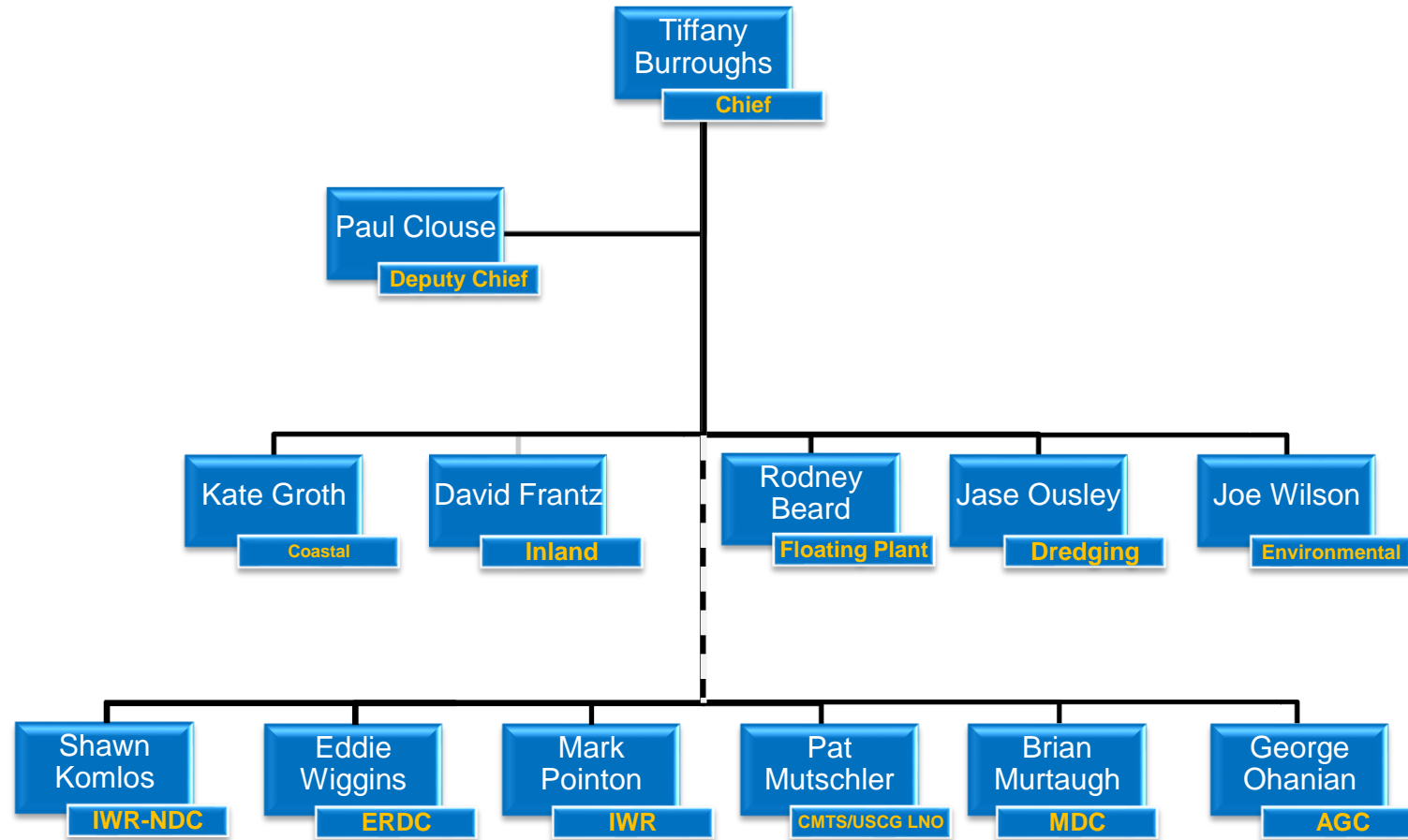
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US Army Corps
of Engineers®



USACE HQ Navigation Team





USACE NAVIGATION MISSION

Navigation is the US Army Corps of Engineers' earliest Civil Works mission, dating to Federal laws in 1824 authorizing and funding the USACE to improve safety on the Ohio and Mississippi Rivers and several ports.

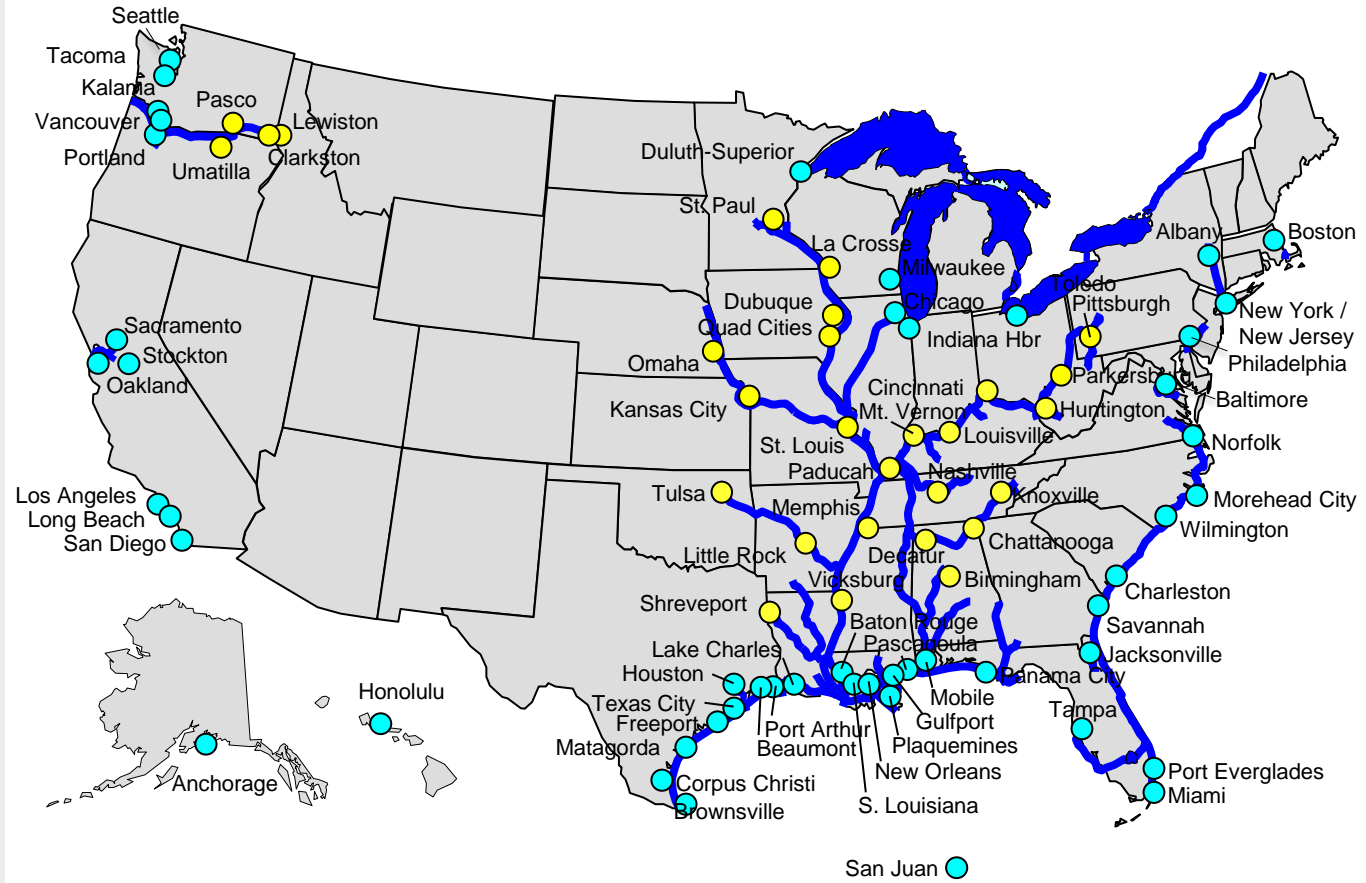
USACE provides safe, reliable, efficient, and environmentally sustainable waterborne transportation systems (channels, harbors, and waterways) for movement of commerce, national security needs, and recreation.





USACE Navigation System

- U.S. Marine Transportation Industry Supports ~ **\$2 Trillion** in Commerce Annually
- **More than 48%** of Consumer Goods Bought by Americans Pass Through Harbors Maintained by Corps.
- Over **1.5 Billion Short Tons** of Foreign Goods Moved Through U.S. Ports/Waterways in 2020
- Over **743 Million Short Tons** of Domestic Goods Moved Thru U.S. Ports/Waterways in 2020
- **15%** of U.S. Domestic Freight Carried by Water
- **237** Lock Chambers at **192** sites
- **13,000** Miles of Coastal and Deep Draft Channels
- **12,000** Miles of Commercial Inland and Intracoastal Waterways
- **1,072** Coastal, Great Lakes and Inland Harbors
- **45** States are directly served by USACE Channels & Waterways

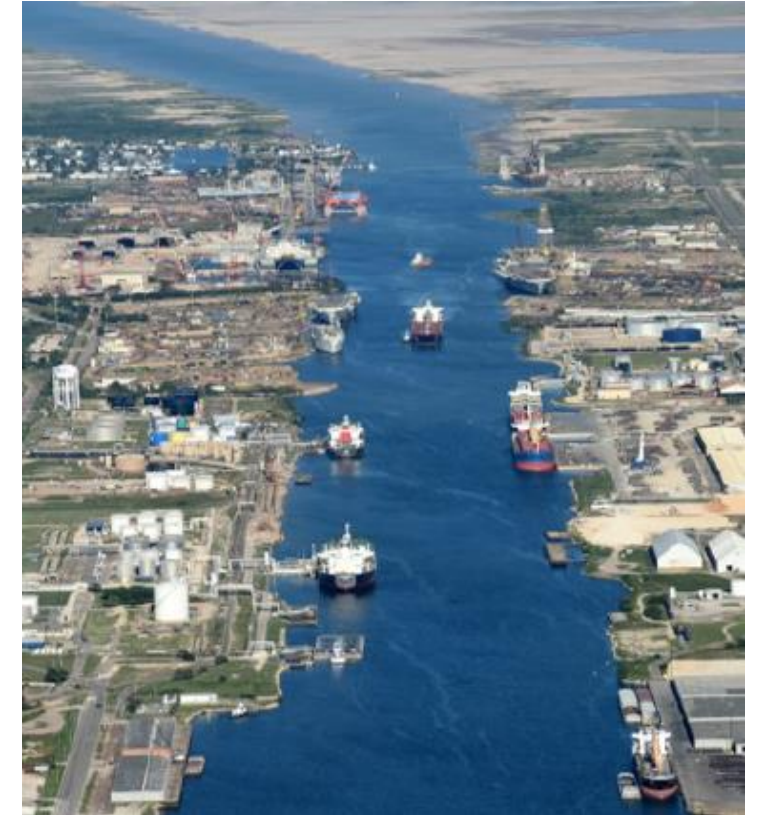




NAVIGATION FUNDING

Source	Investigations (million)	Construction (million)	O&M (million)	MR&T (million)
Supplemental			\$887*	
Infrastructure (IIJA)	\$150*	\$1,500 \$2,500(inland)	\$4,000*	\$808*
FY 22 President's Budget	\$25	\$824	\$2,556	\$34
FY 22 Appropriations	\$7*	\$89	\$495	\$5
FY 23 President's Budget	\$14	\$232	\$2,797	\$71

*Not solely Navigation



Maintaining our Federal channels and waterways is essential for strengthening the economy, creating jobs, reducing risks, and bolstering our long-term global competitiveness and national security. The coastal navigation portfolio is operated and maintained through appropriations from the Harbor Maintenance Trust Fund. The inland waterways are appropriated funds from the Inland Waterway Trust Fund for construction and rehabilitation activities.



NAVIGATION FUNDING POTS IN FY22 BILL

- Investigations: Additional Funding **\$7.004M**
- Construction: Navigation General **\$89.255M**
- O&M: Navigation Maintenance **\$21M**
 - Deep Draft **\$344.63M**
 - Donor & Energy **\$50M**
 - Inland **\$24.558M**
 - Small, Remote, Subsistence **\$45M**
- MR&T: Dredging **\$5M**



HARBOR MAINTENANCE TRUST FUND



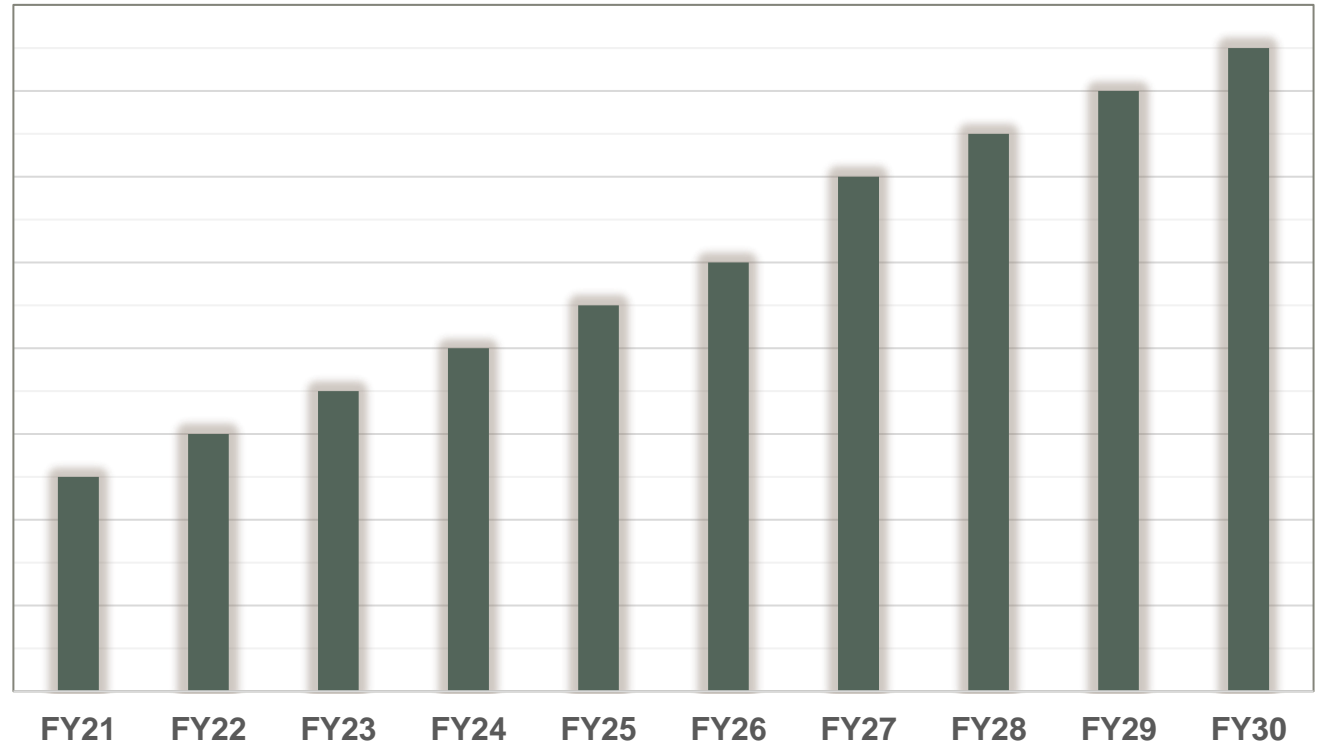
- CARES Act (Public Law 116–136), division B, Section 14003 allows for funding derived from the HMTF to be moved “off-budget.”
- WRDA 2020 establishes that the amount taken off budget from the **trust fund not exceed revenues from 2 fiscal years prior plus \$500M** starting in FY 2021 and escalates every year through 2030.

- WRDA 2020 Section 101 establishes discretionary targets.

HMTF
revenues
from two
fiscal years
prior



\$1,600,000,000
\$1,400,000,000
\$1,200,000,000
\$1,000,000,000
\$800,000,000
\$600,000,000
\$400,000,000
\$200,000,000
\$0





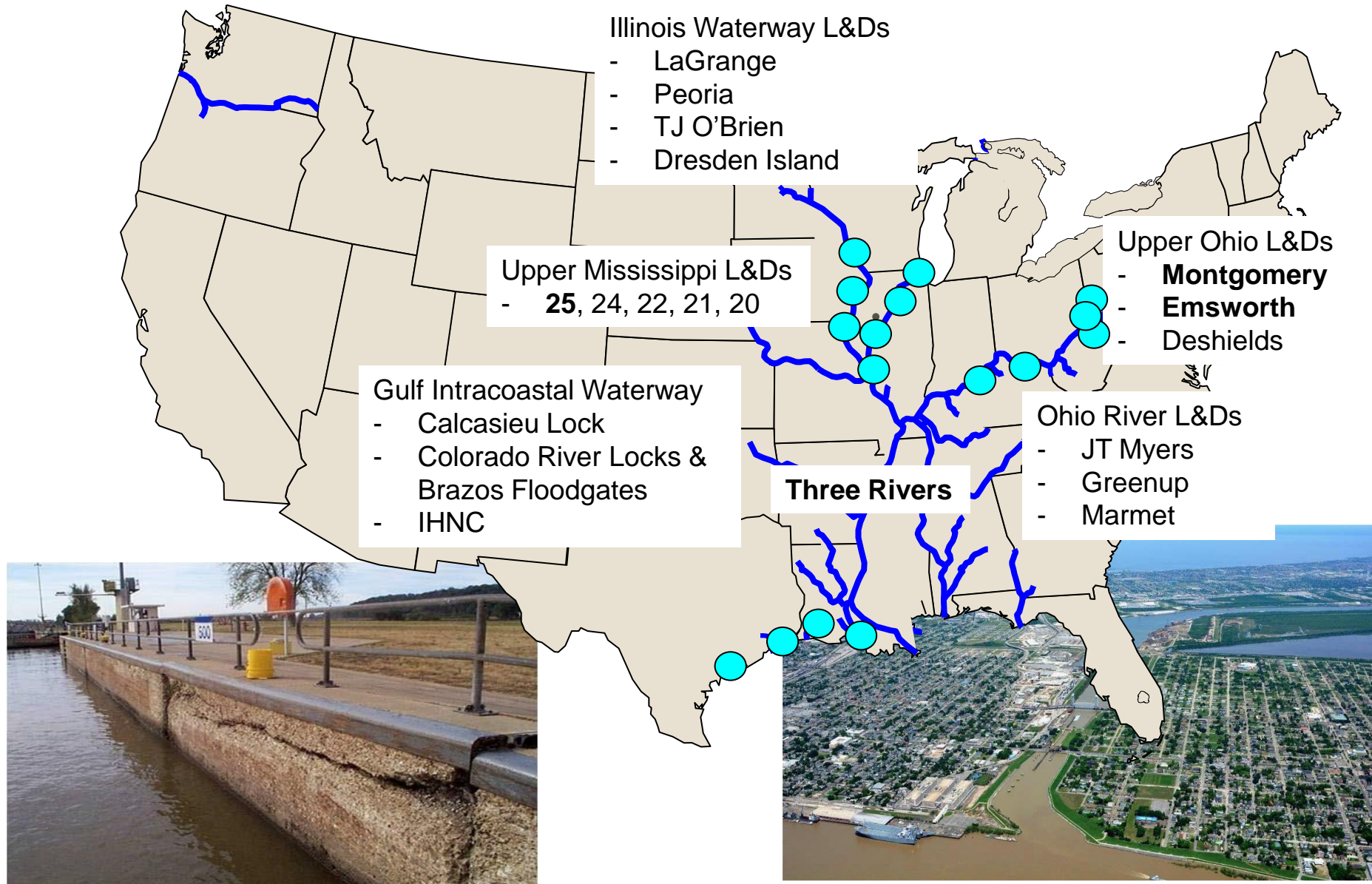
RECENT IWTF ACTIVITIES



- WRDA 2020 authorizations:
 - Cost share change to 65% General Revenue / 35% IWTF (from 50%/50%) for construction starts between FY 2021 – FY 2031 for duration of construction.
 - Gulf Intracoastal Waterway, Brazos River Floodgates and Colorado River Locks (TX)
 - Kentucky Lock project cost limit increase
- FY 2021 Construction New Starts:
 - Upper Ohio River - Montgomery Lock
- FY 2022 Funding & Construction New Starts:
 - MKARNS - Three Rivers \$258.2M (FY22 PBud New Start)
 - Tennessee River - Kentucky Lock \$465.49M
 - Upper Ohio River- \$12.8M in conference; Montgomery Lock \$857.71M; Emsworth Lock \$77.0M
 - NESP - UMR Lock 25 new lock \$732M (IIJA New Start); \$45M in conference
 - T.J. O'Brien Lock & Dam Major Rehabilitation \$52.52M (IIJA New Start)
 - MKARNS 12' Deepening \$92.6M (Resumption)
 - Tennessee-Tombigbee Waterway and Black Warrior Tombigbee Rivers Deepening Study \$400K
- FY 2023 President's Budget
 - Chickamauga Lock \$39.3M



CAPITAL INVESTMENT OPPORTUNITIES





NAVIGATION CHALLENGES

- Executing funding efficiently- workload management
- Competing priorities
- Modernizing infrastructure
- Increased cost of doing business
 - General O&M cost escalations
 - Dredging
 - Additional O&M Post-Panamax
- Capacity for dredge material
 - Increasing Beneficial Use
- Environmental Issues
 - Air and water quality requirements
 - Threatened, endangered, and invasive species
 - Dredging windows



ENTERPRISE & REGIONAL COORDINATION



- Regional awareness and oversight of dredging is necessary to enable the successful enterprise-wide execution of our navigation, flood risk management, and environmental restoration missions involving dredging and dredged material placement and beneficial use.
- In FY20 appropriations Congress directed us to implement a Regional Dredge Demonstration Program, with particular focus on the Central Gulf Coast Region. The Regional Dredge Demonstration Program centers around improvement of USACE's dredging operations. It seeks to implement a major change in how USACE contracts dredges, not just in the Gulf region but across the enterprise.
- Formal policy requiring districts and divisions to continue the coordination required under the regional dredge demonstration program directed by FY20 appropriations issued July 2021. Recent successes from FY20-FY21:
 - USACE received multiple bidders and awarded the Mobile Harbor Phase 1 and Phase 3 Deepening contracts with a significant cost savings under the government estimates.
 - Mississippi River Deepening up to the Crossings is complete. The Crossings deepening underway.
 - USACE executed 11 regional contracts in the Gulf, East and West coast regions in FY21.
- Conducted enterprise charrettes with industry to share upcoming work, plan to have a small business industry day



DREDGED MATERIAL MANAGEMENT PLANNING



WRDA 2020 Sec. 125

This section renews the Congressional commitment to beneficial use (BU) of dredged material by:

- (a) establishing a national policy to maximize the beneficial use of material obtained from Corps projects; requiring the Corps to calculate the economic and environmental benefits of the beneficial use of dredged material when calculating the Federal Standard AND amending section 204(d) of WRDA 1992 to direct that other-than-least-cost placements of dredged material for certain purposes be funded using appropriations available for construction or operation and maintenance of the water resources development project producing the dredged material
- (b) increasing the number of beneficial use of dredged material demonstration projects to 35 projects,
- (c) directing the Corps to develop **five-year regional dredged material management plans**, and
- (d) emphasizing greater coordination across the Corps' dredging contracts.



BENEFICIAL USE OF DREDGE MATERIAL



What is the federal standard? **Federal standard means the dredged material disposal alternative or alternatives identified by the Corps which represent the least costly alternatives consistent with sound engineering practices and meeting the environmental standards established by the 404(b)(1) evaluation process or ocean dumping criteria.**

WRDA 2020 Section 125 Implementation Guidance in development

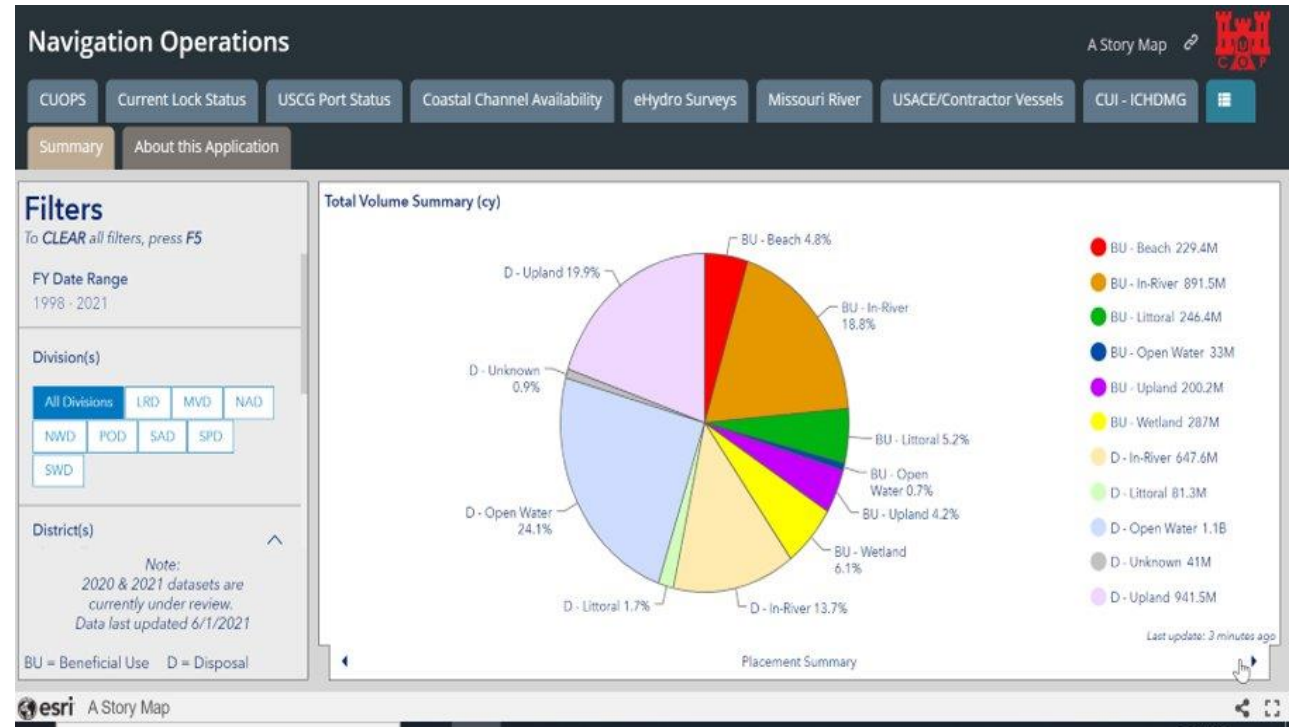
Revolutionize USACE BU Tiger team

- Goal of 70% material placed beneficially (currently at 40%)
- revolutionary amount of BU (external messaging)

Regional Sediment Management

Engineering with Nature

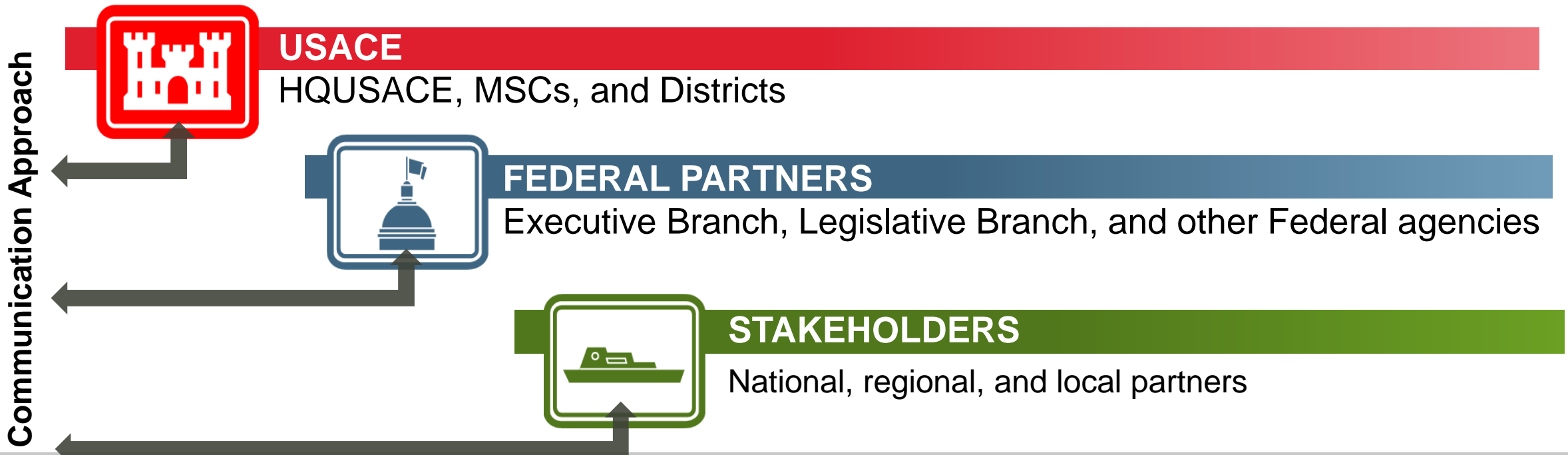
WRDA 16 Section 1122





REMOTE LOCK OPERATIONS

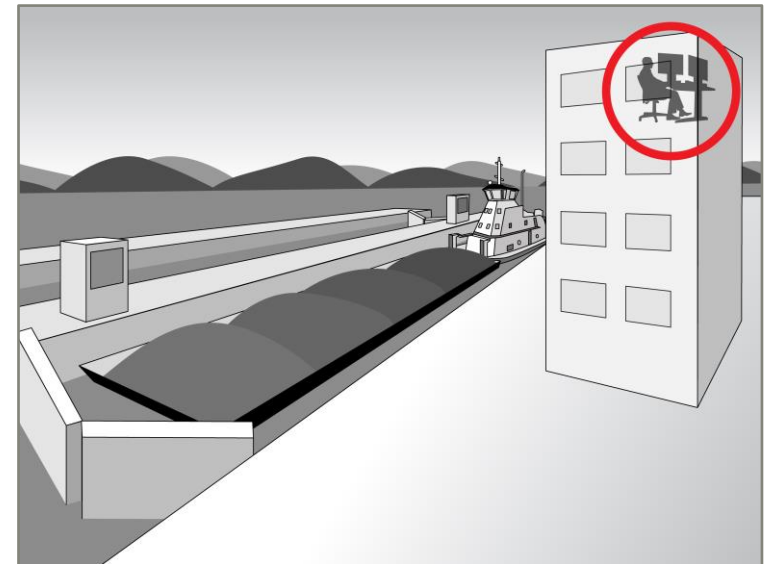
- Assess implementation of remote lock operations
 - Improve resiliency
 - Maintain continuity of operations
- Outcome:
 - National framework
 - Implementation plan





REMOTE LOCK OPERATIONS - KEY TAKEAWAYS

- Transparent communication internally and externally is essential.
- Proven technology exists
 - USACE implementing in other mission areas
- Maintaining reliable and safe lockages for commercial and recreational traffic is critical.
- Physical & cyber security is critical.
- Assessment is ongoing. No decision has been made. Strong business case is needed to justify investment.





QUESTIONS

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