

Harbor Maintenance Trust Fund – Preparations

*For
National Dredging Meeting*

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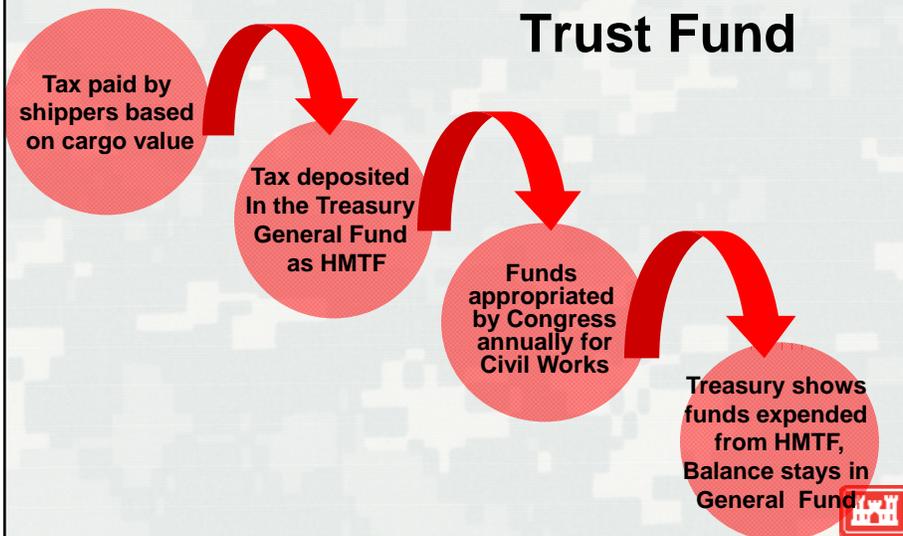
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US Army Corps of Engineers
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Harbor Maintenance Trust Fund



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HMTF Numbers

FY10 end balance:	\$ 5.6 Billion
FY11 Revenues:	\$ 1.6 Billion
FY11 Reimbursements:	\$ 827 Million
Surplus FY11:	\$ 773 Million
FY11 end balance:	\$ 6.4 Billion



HMTF Reimburses

- Maintenance Dredging
- Dredged Material Placement Facilities (O&M)
- Sand Mitigation Projects
- Jetty Repairs (O&M)
- Bridges crossing Federal Navigation projects per Congressional authorization (O&M)
- Coastal navigation lock O&M
- Beneficial Uses of dredged material



Preparing for Full HMTF

- Assess your needs
 - Dredging quantities
 - Placement options
- Advanced Maintenance
 - District /MSC Commander Authority
- Dredged Material Placement Facilities
 - Dike raising (O&M)
 - Dredged material management
- Environmental Clearances
- Acquisition Strategies



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Do we need all these funds?

- YES! Full maintenance of all HMTF eligible projects estimated to cost:
- \$2.2B annually for the 5 years,
- \$1.8B in years 6+
 - As published in Congressional Research Service report 41961, Dec 2011;
 - Data source: USACE data Nov 2011



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Can we expend the full HMTF revenues?

- YES! As demonstrated in the 2009-2010 period with annual appropriation, ARRA funds and natural disaster supplemental appropriations
- Many navigation projects are presently scoping the dredging contract to funds available, resulting in underutilization of the dredge's full production capability



What the funds will accomplish

- Full channel maintenance
- Full realization of water transportation cost savings
- Assure US exports are competitive in the Global market place.



Why should farmers care about transportation?

Because our international competitiveness depends on it.

Costs of transporting soybeans: U.S. vs. Brazil
(per metric ton; 4th quarter, 2010)

	Davenport to Shanghai	Sioux Falls to Shanghai	N. Mato Grosso to Shanghai
Land: Truck	\$8.94	\$8.94	\$120.12
Land: Barge/Rail	\$31.85 (Barge)	\$50.31 (Rail)	-----
Ocean	\$55.46	\$29.25	\$31.67
Total Transport	\$96.25	\$88.50	\$151.79
Farm Value	\$399.16	\$385.56	\$413.46
Landed Cost	\$495.41	\$474.06	\$566.25
Transport as % of Landed Cost	19.4%	18.7%	26.9%

Source: USDA



Traditional Practice

- Hope for the best, plan for the worst...
- Plan for the status quo of constrained funding
- Plan for full use of HMTF revenues
- GET READY!



Closing

America is a maritime Nation!

What do we do?
Provide Navigation
infrastructure that is Reliable,
Efficient and Resilient.

Why is it important?
This infrastructure enables
American goods to compete in
the Global marketplace



QUESTIONS?



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