

# **CORPS/DCA PARTNERING**

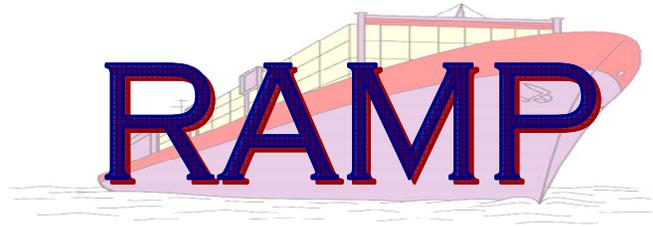
**WEDA EASTERN CHAPTER**

**Conference**

**Charleston, SC**

## **Topics**

- **Hydrographic Surveying**
- **Contract Partnering**
- **Pre-Bid Communication**
- **Overdepth Dredging**
- **Cost estimating**
- **\* Silent Inspector**



**Realize America's Maritime Promise**  
**Harbor Maintenance Trust Fund Fairness Coalition**

*Presented by*  
**BARRY HOLLIDAY**  
Chairman

## Harbor Maintenance Trust Fund

### What is the Harbor Maintenance Trust Fund (HMTF)?

- An ad valorem tax equal to .125% on the declared value of imported and domestic commercial cargo and on passenger vessel tickets.
- The HMTF was authorized in the Water Resources Development Act of 1986, P.L. 99-662, as a tax on channel users (shippers) to pay for operations and maintenance costs on commercial waterways.
- Tax is collected by Customs on behalf of the Corps of Engineers.
- Last year this tax generated \$1.416 billion, yet only \$751 million was used for its intended purpose. The remaining \$665 million was deposited into the General Treasury to offset the deficit.
- This FY there was a \$55 million shortfall of funds needed to perform critical dredging on the Lower Mississippi River. Lake Charles, Louisiana; Mobile, Alabama; and other Gulf ports often need supplemental funding. Supplemental funding is often appropriated after hurricanes.

# Harbor Maintenance Trust Fund

- The HMTF has been mislabeled over the years because the tax collected goes into the General Treasury. It is NOT dedicated or credited to maintenance dredging activities as it was intended.
- The tax collections are accounted for in an HMTF “account,” and a certain amount of that is applied to the Corps’ budget every year—typically around \$700 to \$800 million—no matter how much tax is collected. The HMTF currently has a “balance” of over \$4.7 billion, and collections range from \$1.3 to \$1.5 billion per year.
- Monies collected under the Harbor Maintenance Tax should be used for their intended purpose--maintenance dredging of our nation’s ports and harbors.
- The Corps’ budget has remained stagnant while dredging costs continue to increase.

# RAMP Coalition Members

- AGP Grain,Ltd
- AK Steel
- American Great Lakes Ports Assn.
- American Maritime Officers Service
- American Maritime Officers, AFL-CIO
- American Shipbuilding Association
- American Steamship Company
- ArcelorMittal Steel
- Associated Branch Pilots of the Port of New Orleans (Bar Pilots)
- Associated Federal Pilots and Docking Masters of Louisiana
- Associated General Contractors
- Association of Ship Brokers and Agents (ASBA)
- B+B Dredging Company
- Bay Planning Coalition
- Bay Shipbuilding Company
- Brown County Port & Solid Waste Dept.
- Calcasieu River Waterway Harbor Safety Committee
- Carmeuse Lime, Inc.
- Central Dock Company
- Central Marine Logistics, Inc.
- Chetco (Brookings Harbor), OR
- Chicago Port Council
- City of Depoe Bay
- City of Superior Planning Department
- Cleveland-Cliffs Inc
- Cleveland-Cuyahoga County Port Authority
- California Marine Affairs and Navigation Conference
- CMS Energy
- CN
- Coquille (Brandon), OR
- Corus
- Crescent River Port Pilots Association
- CSX Transportation, Toledo Docks
- Detroit Edison
- Detroit/Wayne County Port Authority – Detroit Durocher Marine District No. 1-PCD, MEBA, AFL-CIO
- Dock 63 Inc.
- Dredging Contractors of America
- Duluth Seaway Port Authority
- Edw. C. Levy Co.
- Erie Shipbuilding, LLC
- Faulkner, Muskovitz & Phillips, LLP
- Flats Oxbow Association
- Fox River Dock Co., Inc.
- Fraser Shipyards
- Gateway Trade Center, Inc.
- Grand River Navigation Company, Inc.
- Great Lakes District Council, ILA, AFL-CIO
- Great Lakes Fleet, Inc. / Key Lakes, Inc.
- Great Lakes Maritime Task Force (Membership by State and City)
- Gulf Ports Association of the Americas
- Gulf States Maritime Association (GSMA)
- Hallett Dock Company
- Hannah Marine Company
- ILA - Lake Erie Coal & Ore Dock Council
- ILA – Local 1317
- ILA – Local 1768
- Illinois International Port District
- Int'l Brotherhood of Boilermakers

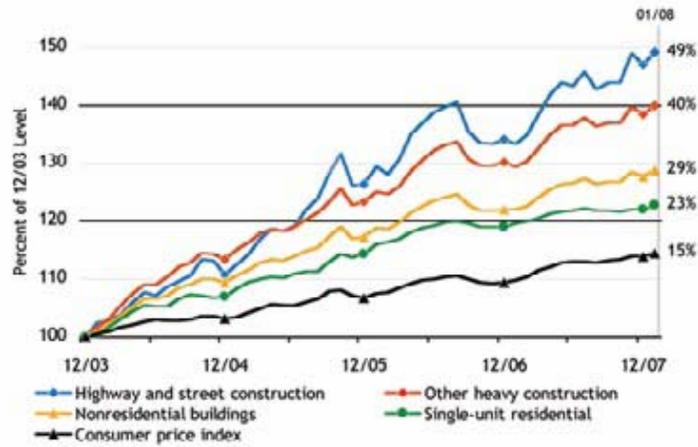
# RAMP Coalition Members

- Int'l Organization of Masters, Mates & Pilots
- International Ship Masters' Association
- International Union of Operating Engineers
- Jaxport
- K&L Gates
- Lafarge North America
- Lake Carriers' Association
- Lake Charles Harbor and Terminal District
- Lake Charles Pilots
- Lake Michigan Carferry Service, Inc.
- Lakes Pilots Association
- Lorain Port Authority
- Lower Ms. River Waterways Safety Advisory Committee
- Luedtke Engineering Company
- Marine Tech, LLC
- Maritime Exchange for the Delaware River and Bay
- Maritime Navigation Safety Association (MNSA)
- MCM Marine, Inc
- Michigan Maritime Trades Port Council, MTD, AFL-CIO
- Midwest Energy Resources Company
- Midwest Terminals of Toledo, International, Inc.
- Mike Hooks Inc
- Mobile Bar Pilots Association
- National Association of Maritime Organizations (NAMO)
- New Orleans Board of Trade
- New Orleans-Baton Rouge Steamship Pilots Association
- Norfolk Southern Corp (coal docks in Sandusky & Ashtabula, OH)
- NSA Agencies, Inc.
- Odum Hydrographic Systems
- Orion Marine Group
- Osborne Concrete & Stone Co.
- Pere Marquette Shipping Company
- Pickands Mather Lake Services Company, Inc.
- Pacific Coast Council of Customs Brokers & Freight Forwarders
- Pacific Northwest Waterways Association
- Port of Astoria, OR
- Port of Coos Bay
- Port of the Dalles
- Port of Garibaldi
- Port of Gold Beach
- Port of Morgan City
- Port of New Orleans
- Port Orford, OR
- Port of Oswego Authority
- Port of Siuslaw, OR
- Port of Toledo, OR
- Ports of Indiana
- Propeller Club of New Orleans
- Rogue (Gold Beach), OR
- Ryba Marine Construction Co
- Sargent Companies
- Seafarers International Union
- Soo Marine Supply, Inc.
- Steele Associates Marine Consultants LLC
- St. Lawrence Seaway Pilots' Association
- Subaqueous Services LLC
- The Dutra Group
- The Interlake Steamship Company
- The Pearce Group
- The Port of Milwaukee
- Toledo Port Council, MTD, AFL-CIO
- Toledo-Lucas County Port Authority
- Transportation Institute
- United Steelworkers, District 1, AFL-CIO-CLC
- United Steelworkers, Local 5000
- US Steel Corp.
- Weeks Marine
- Western Great Lakes Pilots' Association
- West Gulf Maritime Association
- Wheeling & Lake Erie Railway Co.
- Wirt Stone Docks
- World Trade Center of New Orleans

# DREDGING COST DRIVERS

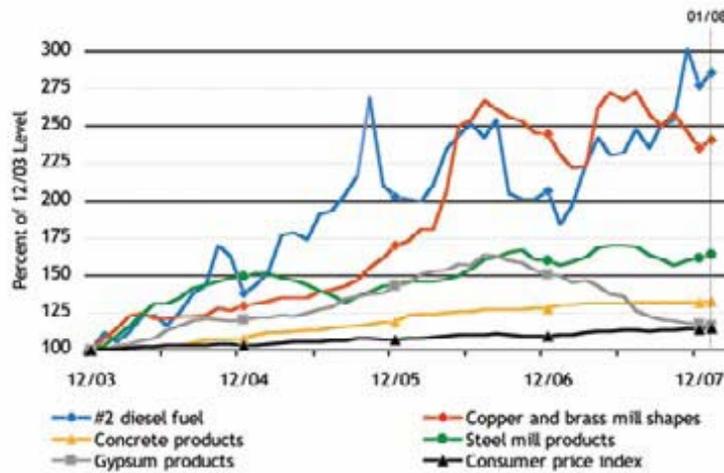
- FUEL
- STEEL
- LABOR
- LACK OF SUPPORT EQUIPMENT (e.g., Tugs, Barges)
- CONTINUING RESOLUTIONS
- NO REPROGRAMMING
- ENVIRONMENTAL REQUIREMENTS

## CONSTRUCTION COST INDEX



AGC, 2008

## CONSTRUCTION MATERIALS COSTS



AGC, 2008

## Comparative Dredging Costs (Increases FY 2005 to FY 2008)

### • FY 2005:

Contract #5-04 Opened: 12/7/04  
 GE \$1,768,415  
 Manson \$1,874,425  
 Weeks \$2,523,415  
 GLD&D \$2,965,928

Contract #6-04 Opened: 12/13/04  
 GE \$2,152,796  
 Manson \$2,187,125  
 Weeks \$2,662,132  
 GLD&D \$2,975,000

Contract #3-05 Opened: 1/6/05  
 GE \$2,218,332  
 Bean \$2,550,250  
 Weeks \$2,853,515  
 GLD&D \$3,025,182

### FY 2008:

Contract #1-08 Opened: 2/12/08  
 GE \$3,558,860  
 Manson \$3,075,800  
 GLD&D \$3,936,300  
 Weeks \$4,042,410

Contract #3-08 Opened: 3/12/08  
 GE \$3,672,105  
 Weeks \$4,157,350  
 GLD&D \$4,189,180

Contract #5-08 Opened: 3/25/08  
 GE \$3,927,408  
 GLD&D \$4,789,220

## COMPARISON OF HMTF REVENUES TO EXPENDITURES

FISCAL YEAR	EXPENDITURES (millions)	REVENUES (millions)
FY 2000	\$631.2	\$760.6
FY 2001	\$669.4	\$810.8
FY 2002	\$645.2	\$710.8
FY 2003	\$685.1	\$804.5
FY 2004	\$681.4	\$922.4
FY 2005	\$708.8	\$1,123.0
FY 2006	\$697.2	\$1,275.0
FY 2007	\$751.0	\$1,416.0

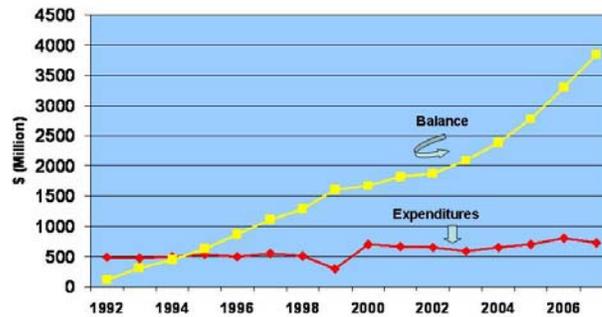


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## The Reality



Harbor Maintenance Trust Fund  
Expenditures and Balance, 1992-2007

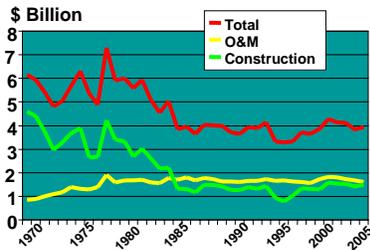


Projected for 2007 Based on Conf Rpt.

## FEDERAL NAVIGATION PROJECT IMPACTS

- **SHIPS LIGHT LOADED**
  - Tons Not Moved!
- **MORE OFFSHORE LIGHTERING OF OIL**
  - Just Another Cost Factor
- **CHANNELS ARE NOT AT PROJECT DEPTH**
- **US COMPETITION IN WORLD MARKETS CHALLENGED**

## HMTF FAIRNESS COALITION



“Despite the economic slowdown, container traffic growth within the next 5 years will push many ports to their full capacity limits.....”

10,000 to 15,000 TEU Mega Ships are being built now

Taxed for \$1.4 billion last year, YET....

FY 2009 Budget is only \$729 million!

“In FY 2006, the 59 largest U.S. PORTS had only 50% of channel width, 35% of the time, and in FY 2007, it was only 32% of the time!”

**Realize America's Maritime Promise**

## What We Have Done

- Gathering coalition members – the list continues to grow – more than 130 organizations
- Prepared information papers
- Met with Senate and House members and staff
- Testified before T&I Subcommittee
- Prepared Draft Legislation

## What's Next?

- Continue to recruit new members
- Continue to meet with Members of Congress
  - Ways and Means, Budget, Finance, Appropriations
- Evaluate the best way forward
  - Draft legislation



**RAMP**

## WAITING FOR DREDGING \$\$ -- HOW LONG?





**STATUS QUO WILL  
FORCE MORE  
LIGHTERING AND  
MORE SHIPPING  
DELAYS**



## **OUR GOAL**

- **Simple – Seek Legislation that will result in full access to annual revenues from Harbor Maintenance Trust Fund Tax, to be used for their intended purpose- operation and maintenance of Federal ports and harbors.**



**[WWW.RAMPHMTF.ORG](http://WWW.RAMPHMTF.ORG)**