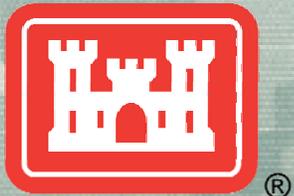


Great Lakes Navigation Stakeholder Meeting

Mike O'Bryan

U.S. Army Corps of Engineers
Great Lakes Navigation
Business Line Manager

Feb 21, 2012



US Army Corps of Engineers
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Meeting Agenda

Welcome; Introductory Remarks

Mike O’Bryan/Jim Weakley

Great Lakes Navigation Program

Mike O’Bryan

- FY12 Navigation Program
- FY13 President’s Budget
- Dredged Material Management
- Soo Locks Reliability
- Risk Communication Meetings

**District Operations Chiefs
– Key Project Updates**

**Josh Feldmann
Shamel Abou-El-Seoud
Dave Wright/Kevin Sprague**

USACE National Navigation Program

Jim Walker

Stakeholder Update

**Jim Weakley
Steve Fisher**

Stakeholder Feedback—Open Discussion

All



Federal Budget Process

- Budget requests are submitted for all federal harbors with operation & maintenance needs.
- The realities of a fiscally constrained budget requires funding only the highest performing, highest priority efforts.
- Funding for low-use harbors (<1M tons) has been reduced significantly in the past two years.
- Subsistence harbors and harbors that support commercial transportation (ferries) and commercial fishing are viewed as a higher priority than other non-commercial harbors but lower than commercial.
- With the limited funding available, recreational harbors do not meet Administration priorities for funding in the President's Budget.



FY12 Corps Funding Status

- Congress passed the FY12 Consolidated Appropriations Bill; enacted Dec 23, 2011.
- The FY12 Appropriations bill included additional O&M funds for ongoing work – to be allocated by USACE HQ

Additional Funding for Ongoing Work

- Navigation Maintenance	\$34M
- Deep-draft harbor and channel	\$55M
- Inland waterways	\$30M
- Small, remote, or subsistence nav	\$30M



FY12 Corps Funding Status (cont'd)

- Criteria established by Congress for allocation of national O&M funding:
 - Complete ongoing work to maintain authorized widths and depths
 - Particular emphasis on places with a Coast Guard presence
 - Enhance national, regional, or local economic development
 - Promote job growth or international competitiveness
 - National defense; public health and safety



FY12 Corps Funding Allocation

- Final allocation was announced on February 8.
\$8.9M was applied to Great Lakes Navigation projects.
 - Dredging:
 - Holland \$585,090
 - Manistee \$495,000
 - Saginaw \$2,079,000
 - St. Joseph \$693,000
 - Waukegan \$788,040
 - Soo Locks Asset Renewal \$2,753,190
 - Corps Fleet Structure Repair Milwaukee \$1,485,000



FY 12 Funding Great Lakes Navigation

\$78.4M in named projects in FY12 Conference for O&M
\$ 8.9M allocation from “Additional Funding for Ongoing Work”

\$87.3M total for GL Nav O&M

Key Items in FY12 Appropriation

\$26.6M in Dredging (2.0M cubic yards)

\$11.8M in Dredged Material Management

\$5.2M in Soo Asset Renewal



FY 13 President's Budget Great Lakes Navigation

\$85.9M O&M

\$7M CG (Green Bay Cat Islands DMDF)

Key Items in FY13 President's Budget

\$31.0M in Dredging (2.4M cubic yards)

\$12.0M in Dredged Material Management

\$3.1M in Soo Asset Renewal



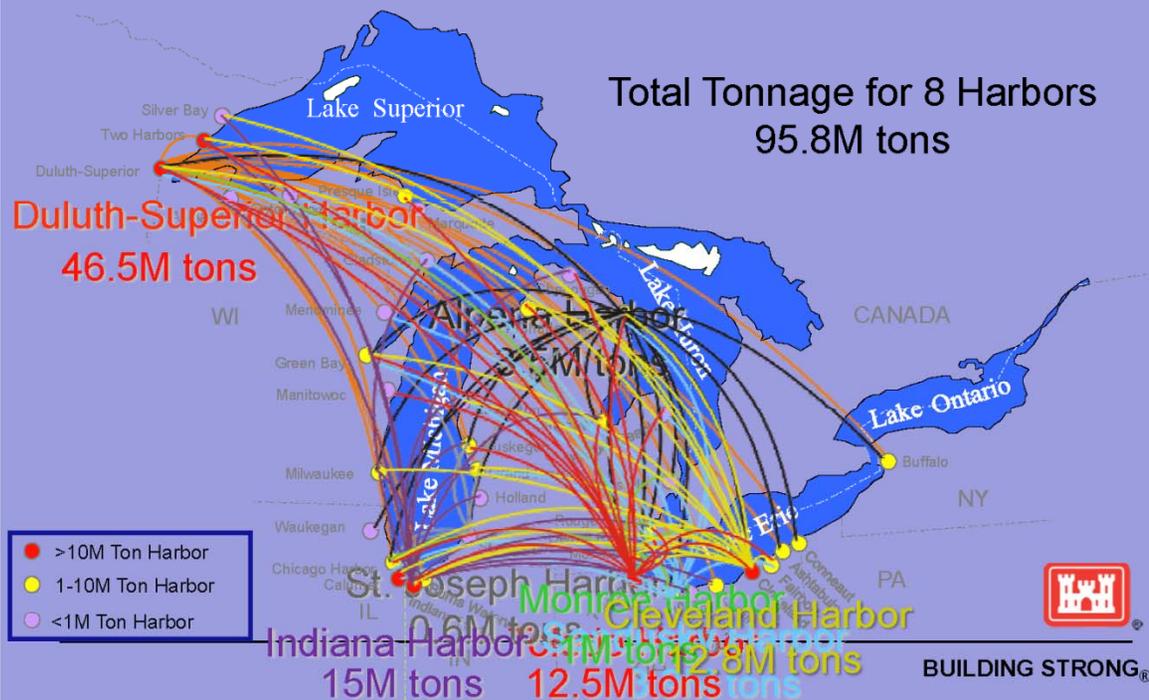
FY13 President's Budget Dredging Projects



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Great Lakes Navigation

Interdependent Ports

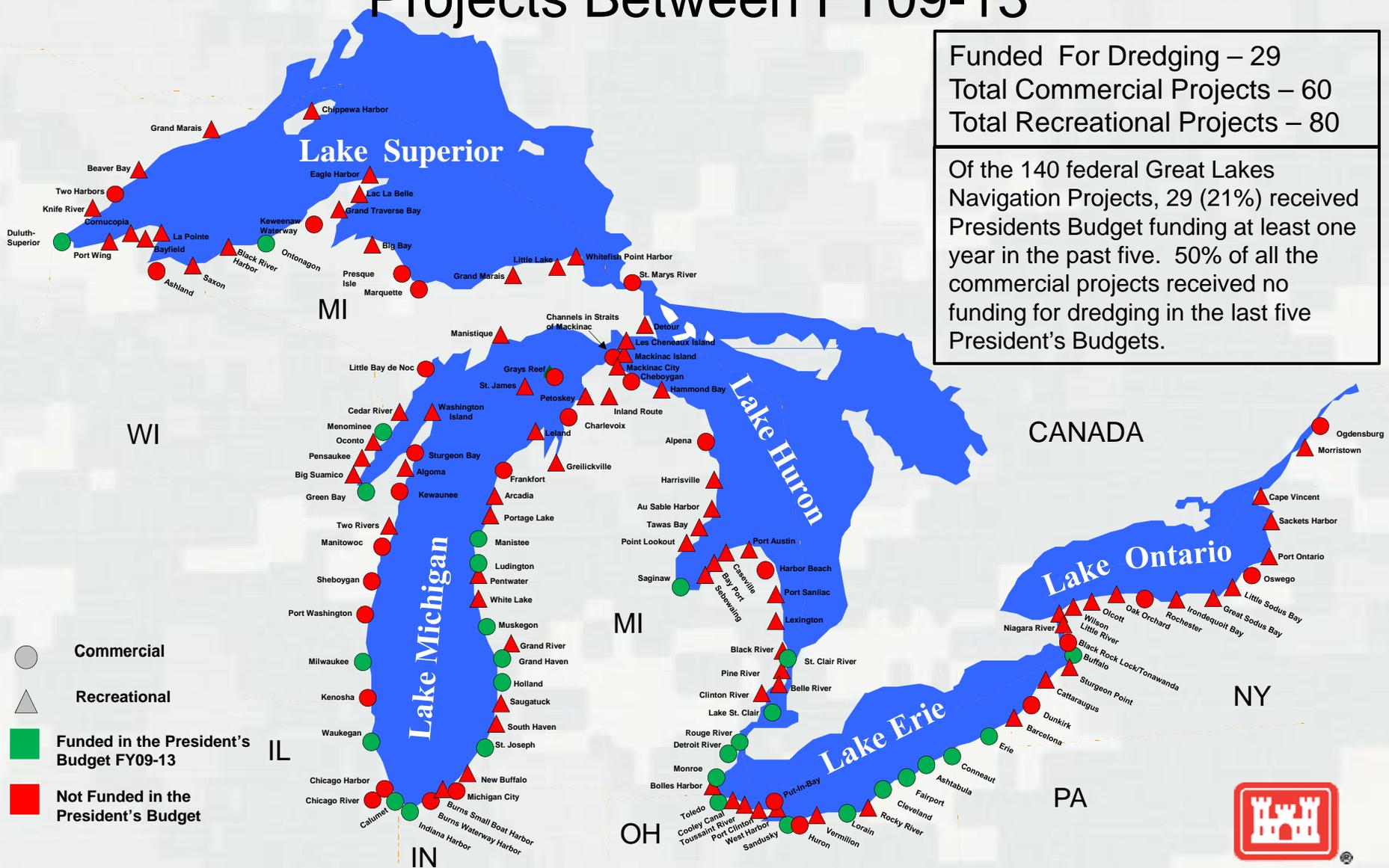


Key Issues

- Dredging Needs – Growing Backlog
- Dredged Material Management Challenges
- Lock Reliability
- Deteriorating navigation structures/
communicating risk to stakeholders



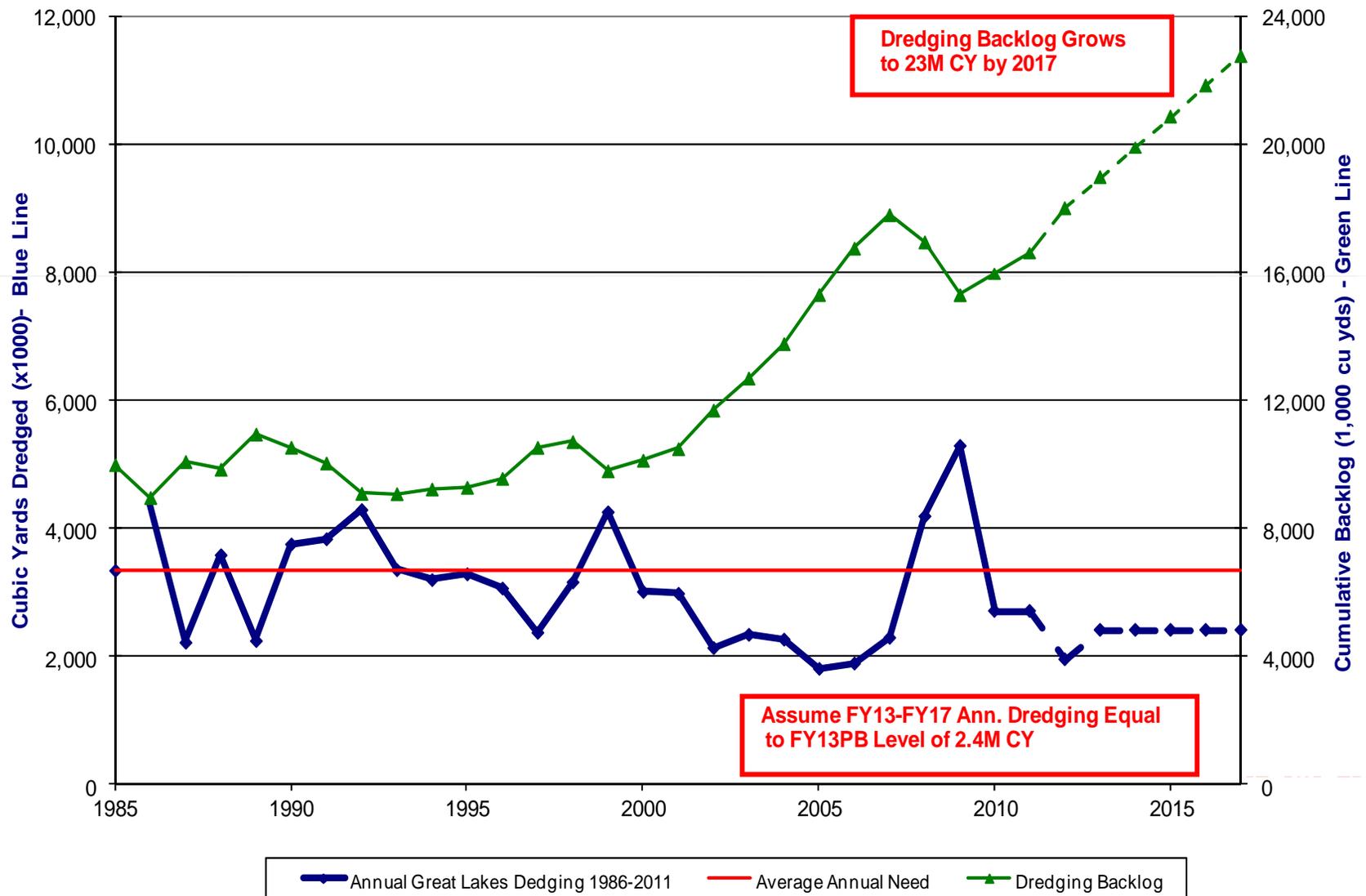
President's Budget Funding For Dredging Projects Between FY09-13



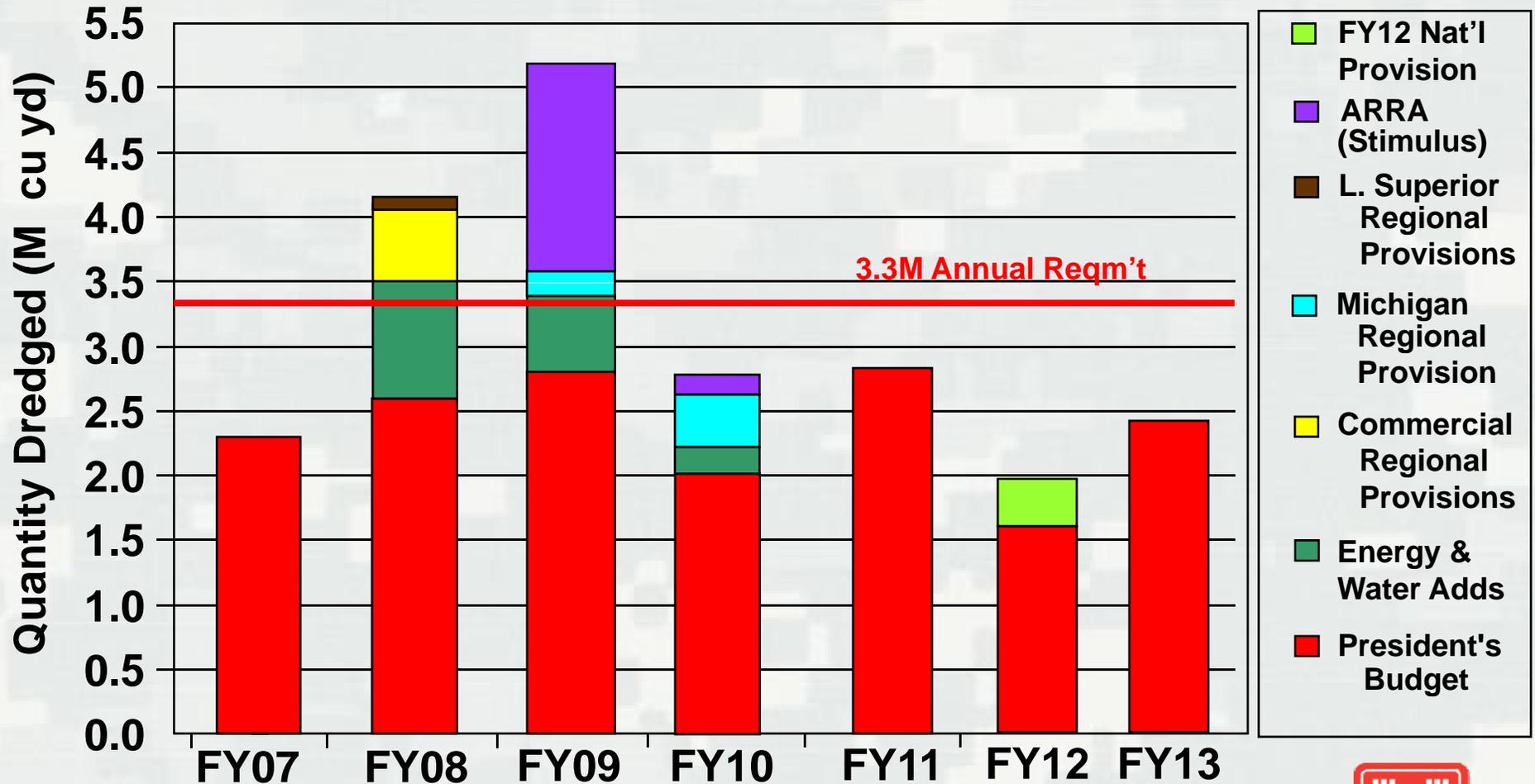
Funded For Dredging – 29
 Total Commercial Projects – 60
 Total Recreational Projects – 80

Of the 140 federal Great Lakes Navigation Projects, 29 (21%) received Presidents Budget funding at least one year in the past five. 50% of all the commercial projects received no funding for dredging in the last five President's Budgets.

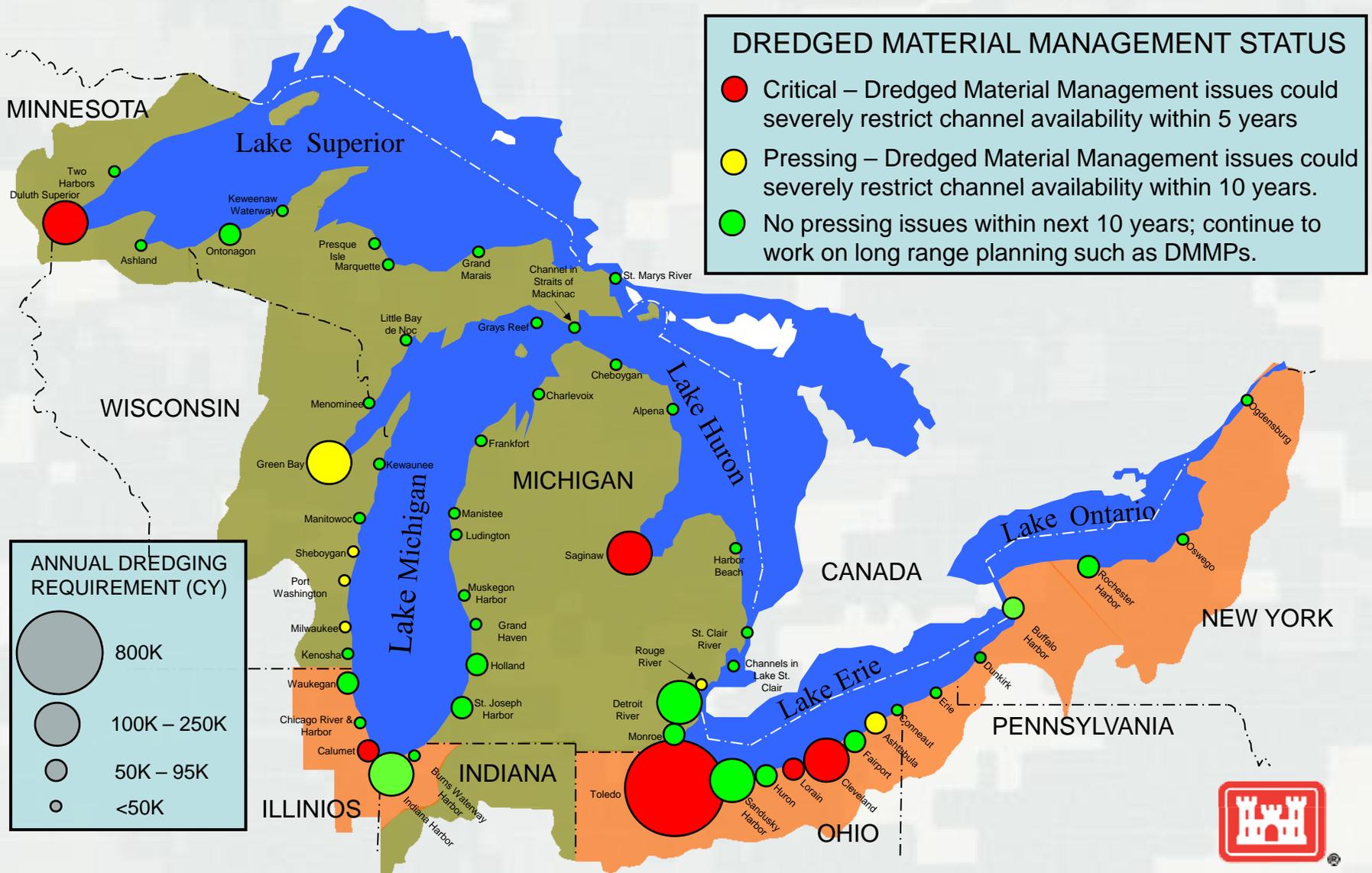
Backlog Growth Under Constrained Dredging Funding 2012-2017



Dredging Funding Trends 2007 - 2013



Current Dredged Material Management Conditions



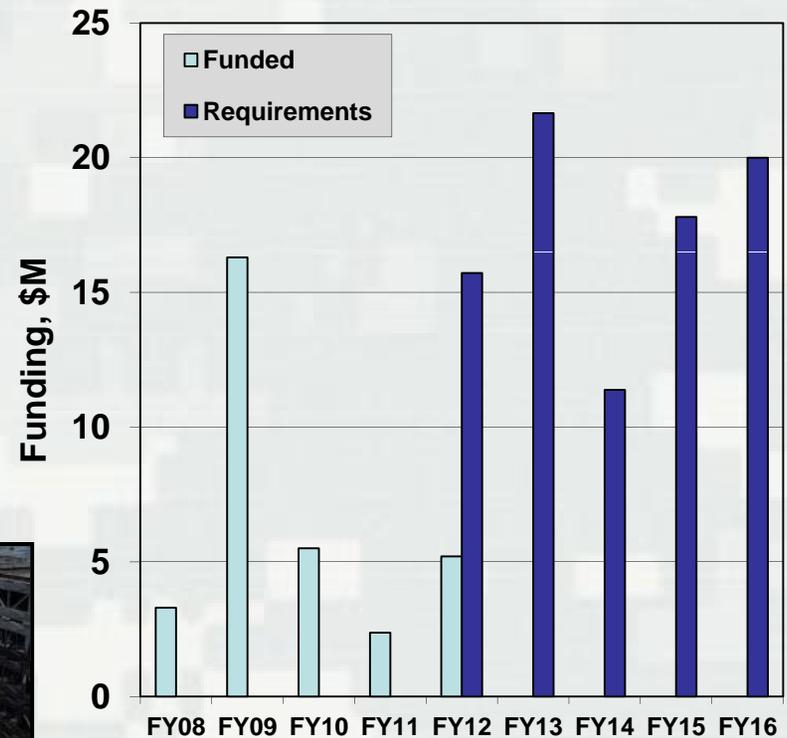
Where is Dredging Restricted by Dredged Material Placement?



Soo Locks Asset Renewal Long-Term Plan

Asset Renewal Plan will maximize reliability and reduce risk through 2035

- \$32.8M funded to date through FY12
 - New hydraulics, stop logs, utilities
 - Crib Dam construction
 - Compressed Air System design
 - Mac Lock modernization design
- Remaining funding required \$87 million over 5 years
 - Compressed air system
 - Rock Cut stabilization



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Regional Risk Communication Meetings



Coastal Structure Communication Objective

Program Objective: Communicate the risk of breakwater and structure conditions to local stakeholders and navigation system users

Process:

1. **Conduct Condition Assessments**
 - Commercial Harbors- Use detailed Breakwater Assessment Team (BAT) Evaluation
 - Recreational Harbors- Rely on expert elicitation
2. **Conduct Harbor Infrastructure Inventory on all structures**
3. **Prepare summary document** that conveys the current condition of the harbor infrastructure as well as the risk involved in the event of failure
4. **Share with stakeholders** in regional meetings



Identifying Needs of Harbor Fact Sheets

- Identifying the Economic and Social Impacts Related to Maintaining the Authorized Project
- Identifying Other Critical Factors (Subsistence Harbor, Infrastructure Protected by Harbor)
- We will continue to refine the information with your help!



Saginaw River, MI

River Features

- Saginaw River is formed by the union of the Tittabawassee and Shiawassee Rivers, is 22 miles long, and flows northerly into the south end of Saginaw Bay in Lake Huron. The cities of Saginaw and Bay City are on the river.
- Authorization: River & Harbor Acts of 25 Jun 1910, 3 Jul 1930, 26 Aug 1937, 20 Jun 1938, 3 Sep 1954, 23 Oct 1962, 27 Oct 1965
- Deep draft commercial harbor
- Project depths varying from 27 feet below LWD in the Saginaw Bay entrance channel to 22 to 26 feet in the Saginaw River channel.
- 3.7M tons of material shipped or received in 2008
- Total of 26 miles of Federal channels and 5 turning basins
- Saginaw Bay confined disposal facility is located about one mile northeast of the mouth of the river in Saginaw Bay and has sufficient capacity for the next 25 years.
- Major stakeholders include U.S. Coast Guard, Lake Carriers' Association, ADM, Bay Aggregates, Bit-Mat Products of Michigan, BMT Terminals, Burroughs Materials Corp., Conagra, Consumers Energy, C. Reiss Coal, Dow Chemical, Essroc Italcementi Group, General Motors, International Materials, Lafarge North America, Lee Wood Terminal, Morton Salt, Mosaie, Northern Star Minerals, Peavey Grain, Potash Corp Saskatchewan, Saginaw Bay Fertilizer, Saginaw Asphalt Paving Co., Saginaw Rock Products, Saginaw River Alliance, Sargent Docks & Terminal Company, SIFTO North American Salt, Triple Clean Liquifuels, Wirt Stone Docks.



Project Requirements

- Entrance channel in Saginaw Bay requires annual maintenance dredging of approximately 180,000 cubic yards. The upper river channel requires maintenance dredging of 50,000 to 100,000 cubic yards on a 2 to 3 year cycle.
- Maintenance dredging was conducted in 2011; dredging was funded for 2012 by an allocation from the National Provision in the FY12 Consolidated Appropriation Bill; dredging will also be required in 2013.
- There is a requirement for maintenance dredging in FY13. Without annual dredging transportation costs would increase by \$6.5 million. Significant light loading and increased groundings could be expected.
- ARRA funds were used to complete fill management of the Saginaw Bay CDF and dredging of the upper Saginaw River. The Bay CDF is nearing capacity and requires a Dredged Material Management Plan to be completed to identify a 20 year solution to dredged material disposal.
- Material dredged from the upper river is placed in the Dredged Material Disposal Facility that was constructed in 2008 and will provide capacity for the material dredged from the upper Saginaw River channel.

February 2012

Consequences of Not Maintaining the Project

- Bulk commodities that pass through the Saginaw River generate \$143M annually in direct revenue while supporting over 1,100 jobs and generating \$51M per year in personal income.
- Light loading; loss of between 1 and 2 feet of channel depth results in increased transportation costs of between \$1.7M and \$3.9M annually.

Transportation Importance

- Major receiving port on the Great Lakes
- All Mid-Michigan and thumb of Michigan fertilizer shipped through Saginaw River.
- Commodities include coal, limestone, petroleum products, gypsum, salt, fertilizers - potash, urea, DAP, Ag lime; food and grains, and cement.

**U.S. Army Corps of Engineers Fiscal Year (FY) 2011, 2012 and 2013
Saginaw River, MI - Project Requirements and President's Budget (\$1,000)**

Work Package	FY11 Requirement	FY11 Work Plan	FY12 Requirement	FY12 Appropriation	FY13 Requirement	FY13 President's Budget
Project Condition Surveys	340	336	350	343	350	350
Maintenance Dredging – Primary Work Package	2,100	2,075	2,205	2,079*	3,290	3,290
Maintenance Dredging – Backlog Work Package	3,170		3,170		2,000	
CDF Fill Management	750	741	1,000		750	
DMMP Development			200	196	188	188
Upper Saginaw CDF Ops					263	263
TOTALS	6,360	3,152	6,925	2,618	6,841	4,091

*Provided by National Provision in the FY12 Consolidated Appropriation Bill

Congressional Interests

- Representative Dale E. Kildee D-MI-5
- Senator Carl Levin D-MI
- Senator Debbie Stabenow D-MI



Key Great Lakes Contacts

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www.lre.usace.army.mil/greatlakes/navigation



Questions?

