AND OPPORTUNITIES

Challenges Facing the Atlantic Intracoastal Waterway

Brad Pickel
Executive Director

Atlantic Intracoastal Waterway Association
The Atlantic Intracoastal Waterway Association

• Organized in 1999 as a 501-c(6), membership organization to encourage the continuation and further development of waterborne commerce and recreation on the Atlantic Intracoastal Waterway of Virginia, North Carolina, South Carolina, Georgia and Florida.

• The Association advocates for regular dredging and adequate maintenance to promote safe, cost-effective navigation.
Transportation and the Economy

By 2040, the U.S. economy is forecast to grow by 115% to $36.7 trillion—and the transportation sector will represent about $1.6 trillion of total Gross Domestic Product.

Global Demand for U.S. Products

Global trade is one of the brightest spots in our economy. U.S. exports reached $2.3 trillion in 2013, setting a new record for the 4th straight year. $1 billion in exports = 5,000 U.S. jobs.

The U.S. energy boom is placing unprecedented demand on our transportation system. Crude oil production is up 50% since 2008. Rail carried 400,000 carloads of crude oil in 2013, 42x the 9,500 carloads of crude oil in 2008.

By 2040, U.S. freight volume will grow to 29 billion tons—an increase of 45%.

By 2040, the value of freight will grow to $39 trillion—an increase of 125%.

Major gains in freight movement are predicted by 2040. 54 million tons of freight move across our nation every day.

Freight Movement is Multimodal

Every mode of transportation moves freight, but trucking is the primary mode of freight travel.

<table>
<thead>
<tr>
<th>Mode</th>
<th>2012 (in tons)</th>
<th>2040</th>
</tr>
</thead>
<tbody>
<tr>
<td>Truck</td>
<td>13.2 billion</td>
<td>+43%</td>
</tr>
<tr>
<td>Rail</td>
<td>2.0 billion</td>
<td>+37%</td>
</tr>
<tr>
<td>Waterborne</td>
<td>975 million</td>
<td>+10%</td>
</tr>
<tr>
<td>Air</td>
<td>15 million</td>
<td>+250%</td>
</tr>
</tbody>
</table>

System Performance and the Cost of Congestion

By 2040, nearly 30,000 miles of our busiest highways will be clogged on a daily basis. Truck congestion wastes $27 billion in time and fuel annually.
65% of America’s imported and exported containerized freight (by value) flows through ten ports.

Ports are opportunity multipliers—economic engines, fueling good jobs not just on our coasts, but across the country.

- **New York/New Jersey**: $201.4 billion, 70.1 million
- **Baltimore**: $52.6 billion, 27.4 million
- **Hampton Roads**: $66.9 billion, 66.7 million
- **Charleston**: $65.1 billion, 15.4 million
- **Savannah**: $70.9 billion, 28.4 million
- **Los Angeles**: $285.4 billion, 69.1 million
- **Long Beach**: $109.3 billion, 44.4 million
- **Houston**: $168.3 billion, 147.8 million
- **New Orleans**: $58.8 billion, 97.2 million
- **Tacoma**: $48.6 billion, 16.3 million

Container traffic at U.S. ports is up 19% since 2009 and has nearly recovered to pre-recession levels.

Exports and imports account for nearly 25% of our Gross Domestic Product.
FIVE STRATEGIC GOALS

1) EXPAND CAPACITY OF U.S. GATEWAY PORTS

2) ENSURE THE MARITIME CAPACITY TO GUARANTEE ECONOMIC AND NATIONAL SECURITY

3) MODERNIZE, EDUCATE, TRAIN AND RECRUIT THE NEXT GENERATION OF MARINERS

4) FULLY LEVERAGE WATERBORNE TRANSPORTATION IN OUR NATIONAL TRANSPORTATION NETWORK

5) DRIVE MARITIME TECHNOLOGY INNOVATION
The US Army Corps of Engineers maintains the Waterway for 1,100 miles between Norfolk, Virginia and Miami, Florida. The AIWW is authorized to

- 12 feet MLLW with widths of 90 feet through land cuts and 150 feet in open water areas, and
- 9 feet MLLW in most of Florida.

BUT..
Challenge
3 boaters rescued from Intracoastal Waterway northeast of Charleston

THE ASSOCIATED PRESS
First Posted: April 21, 2015 - 10:34 am
Last Updated: April 21, 2015 - 10:37 am

CHARLESTON, South Carolina — Three boaters are safe after the Coast Guard and Charleston County rescue workers responded to reports that their 42-foot boat was taking on water in the Intracoastal Waterway.

The Coast Guard launched a rescue helicopter and a small boat shortly before 2 a.m. Tuesday after receiving reports the boat was aground and taking on water near Capers Island northeast of Charleston.

The boaters were airlifted to the hospital from an air station.
Challenge and Opportunity

0 to +1 ft MLLW
Challenge And Opportunity

<table>
<thead>
<tr>
<th>State</th>
<th>FY 2015 Budget</th>
<th>FY 2015 Workplan</th>
<th>FY 2016 Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Virginia</td>
<td>$6.94 Million</td>
<td>$6.94 Million</td>
<td>$3,655,000</td>
</tr>
<tr>
<td>North Carolina*</td>
<td>$2.6 Million</td>
<td>$2.6 Million</td>
<td>$2.6 Million</td>
</tr>
<tr>
<td>South Carolina</td>
<td>$500,000</td>
<td>$2.4 Million</td>
<td>$630,000 (inc. Town Creek)</td>
</tr>
<tr>
<td>Georgia</td>
<td>$176,000</td>
<td>$176,000</td>
<td>$176,000</td>
</tr>
<tr>
<td>Florida*</td>
<td>$600,000</td>
<td>$1.2 Million</td>
<td>$600,000</td>
</tr>
<tr>
<td>Total for M-95</td>
<td>$10,816,000</td>
<td>$13,316,000</td>
<td>$7,761,000</td>
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</tbody>
</table>
Fiscal Year 2016- Current status

- President’s Budget- $7,761,000
- House of Representatives
  - $42 million for Additional Funding for Inland Waterways
  - $42.5 million for Additional Funding for Small, Remote, or Subsistence Harbors & Channels
- U.S. Senate
  - $45 million for Additional Funding for Inland Waterways
  - $50 million for Additional Funding for Small, Remote, or Subsistence Harbors & Channels
Opportunity- Alternative Financing to Increase Waterway Funding

- Florida and North Carolina currently cost-share maintenance efforts in AIWW
- South Carolina
  - Charleston County Council vote on May 28, 2014 to provide $500k in matching funds over the next two years.
  - Increased maintenance dredging to commence this month!
Opportunity- AIWW/GIWW Needs Assessment in WRRDA 2014

- WRRDA 2014 Section 2008 requires Corps of Engineers to quantify annual maintenance dredging needs of AIWW and provide report to Congress.

- CHALLENGE- Administration guidance has not been passed down to Corps staff to perform analysis.
AIWW/GIWW Needs Assessment in Section 2008 of WRRDA 2014

- Congressmen Jones (NC) & Carter (GA) sent individual letters requesting status.
- WRRDA Subcommittee Hearing - Frankel (FL) and Rouzer (NC) asked ASA Darcy about status.
- AIWA collaborating with FIND in development of joint delegation letter to ASA Darcy requesting study be initiated. Thirteen signatories representing four states on final letter and we are awaiting a response.
Moving forward in 2015

- Continue to support Administration Budgeting and Congressional Mini-Pot Appropriations for Waterway- Senate in FY16
- Support Congressional Delegation’s pursuit of WRRDA Report
- Identify and support partners willing to provide alternative financing
- Investigate and support any other efforts to increase funding or reduce cost of waterway maintenance.
For more information visit www.atlanticintracoastal.org