



# Nor'wester Newsletter

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## FY2019 budget released, focuses on high performing projects and return on investment

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The Administration released their [FY2019 budget](#) today, proposing \$4.785B for the Corps of Engineers' Civil Works program and \$1.930B for the agency's navigation portfolio. Overall, this proposal for the Corps is \$200 million less than this Administration proposed in FY2018, and continues the focus on the highest tonnage projects in the nation. Within the Civil Works program, \$82.6M is proposed for General Investigations/Studies, \$1.019B for Construction, and \$3.193B for Operations & Maintenance. \$965.13M is proposed to be spent from the Harbor Maintenance Trust Fund (HMTF), with \$32.6M of that provided to fund construction projects. This is surprising, as the Harbor Maintenance Trust Fund is intended to fund coastal navigation operations and maintenance.

As we've seen in past years, PNWA member projects with higher tonnage have fared much better in the budget than our smaller ports. We are pleased to report that projects on the Lower Columbia River, in Grays Harbor and Coos Bay, and at our locks and dams did well in the budget. Funding for our small ports, however, is extremely low and we will need to continue to work together to increase funding for these projects. In addition, this budget does not support new starts, leaving projects like the Tacoma Harbor channel deepening study and the Mill Creek Channel flood reduction study unfunded. PNWA will be seeking increased funding for our projects in a potential FY2019 workplan.

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<b>PNWA SUPPORTED PROJECTS</b>	<b>FY2019 President's Budget</b>
<b>Construction (CG)</b>	
Columbia River Fish Mitigation	46,000,000
Columbia River (MCR) Jetties Rehabilitation	28,000,000
<b>General Investigations</b>	
Tacoma Harbor channel deepening study	0 (no new starts in FY19 budget request)
Mill Creek Channel, WA (Port of Walla Walla)	0 (no new starts in FY19 budget request)
<b>Operations &amp; Maintenance (O&amp;M)</b>	
Everett Harbor and Snohomish River, WA	1,980,000
Bellingham Bay, Squalicum Harbor (Port of Bellingham)	2,000
Bonneville Lock & Dam	5,915,462
Columbia & Lower Willamette below Vancouver & Portland (C&LW), OR/WA	47,220,000
Columbia River at Baker Bay (Port of Ilwaco)	5,000
Columbia River at the Mouth (MCR), OR/WA	23,535,000
Columbia River b/t Chinook & Sand Island (Port of Chinook)	1,000
Columbia River between Vancouver & The Dalles, OR/WA	881,000
Coos Bay, OR	6,958,000
Coquille River (Port of Bandon)	26,000
Grays Harbor, WA	11,237,000
Ice Harbor Lock & Dam	5,075,000
John Day Lock & Dam	5,688,400
Lake River, WA (Port of Ridgefield)	0
Lake Washington Ship Canal, WA	6,987,000
Little Goose Lock & Dam	3,506,000
Lower Granite Lock & Dam	4,347,000
Lower Monumental Lock & Dam	3,430,000
McNary Lock & Dam	9,623,000
Rogue River (Port of Gold Beach)	5,000
Seattle Harbor, WA	1,816,000
Siuslaw River (Port of Siuslaw)	10,000
Skipanon Channel, OR (Port of Astoria)	5,000

Swinomish Channel (Port of Skagit & Port of Anacortes)	2,000
Tacoma Harbor, WA	15,000
The Dalles Lock & Dam	3,274,000
Tillamook Bay & Bar (Port of Garibaldi)	5,000
Umpqua River (Port of Umpqua)	939,000
Willamette Falls Locks	161,000
Willapa River & Harbor (Port of Willapa Harbor)	44,000
Yaquina Bay & Harbor, OR (Port of Newport)	3,080,000
Yaquina River (Port of Toledo)	0

The budget also proposes changes to how our inland and coastal waterways are funded. For inland navigation projects, the Administration is proposing a per vessel fee to bolster current Inland Waterways Trust Fund (IWTF) collections. This new fee would pay for construction and major rehabilitation projects, as well as cover 10% of annual O&M costs. The current diesel tax supporting the IWTF was just increased in 2014, and PNWA opposes any new fees for users of the inland waterways.

Regarding deep draft and coastal funding, the Administration proposes decreasing the current Harbor Maintenance Tax. They note that this is an effort to provide more flexibility by allowing ports to determine their own fees for services provided, and ultimately fund their own capital and operating costs. No further information on these proposals is available, and Corps leadership has noted that details are yet to be negotiated with Congress. No information was provided regarding the severe shortfalls that would occur within the Corps' dredging and jetty programs, which are already underfunded throughout the nation. This attempt to shift responsibility for federally-authorized waterways to ports and local governments would be a radical change to how the Corps does their business, and PNWA is evaluating our response.

As a reminder, the 2019 fiscal year runs from October 1, 2018 - September 30, 2019. PNWA is meeting with the Portland, Seattle and Walla Walla Districts of the Corps this week to determine the FY2019 capabilities for each of our supported projects, and will have more information to report within the next week. While the release of the Administration's budget is an important start to the process, Congress will now devise their own spending plans for the Corps. As has been the case for a number of years, PNWA will be advocating for the inclusion of national, programmatic "spending pots" to help address the

considerable shortfall of funding that is proposed for studies, construction, and operations and maintenance of projects of all sizes.

It should be noted that Congress has yet to finalize their work on FY2018, so uncertainly remains for how our supported projects will be funded through September 30th of this year. The current continuing resolution (CR) expires March 23rd. We have been advocating for months for increased funding for our suite of projects, and are hopeful that we will receive good news when the workplan is released.

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