

Waterways Column



ONWARD IS THE WAY

This is perhaps the most critical time for the inland waterways industry and its stakeholders. The Inland Waterways Users Board adoption of a final report that accompanied a comprehensive, consensus-based package of recommendations formulated by a group of experts assembled to address the need to improve the continued vitality of the U.S. inland navigation system was completed in April. That is the plan now being considered by Congress, and we hope to have it included in a potential Water Resources Development Act (WRDA) in 2010. If adopted, this plan will better address the needs of the entire inland waterways system and provide more funding for greatly needed infrastructure improvements.

As we all know, America's inland waterways have many benefits. They are a precious resource, and the envy of the world because of the natural "water highway" the waterways system provides for commerce. Modern lock and dam infrastructure is critical to U.S. competitiveness in the world market, to environmental protection, to energy efficiency, to the sustainment of well-paying American jobs and to congestion relief. Inland waterways transportation is a key component of the intermodal transportation network, and is essential to our nation's economy, environment, and our quality of life. Its recreational and ecosystem habitat benefits are also well appreciated.

This proposal was developed over a year-long period by the Inland Marine Transportation System Investment Strategy Team, composed of key U.S. Army Corps of Engineers personnel and members of the Users Board.

And it would—for the first time ever—prioritize navigation projects across the entire inland waterways system, improve the Corps of Engineers' project management and processes to deliver projects on time and on budget, and rec-

ommend a funding mechanism that is affordable and meets the system's needs.

Thus far, the proposal is supported by more than 200 industry stakeholders including national organizations, state, regional and local organizations, and companies. The United States Chamber of Commerce just weighed in to support the proposal, as did the National Manufacturers Association, the International Propeller Club of the United States, the Transportation Research Board/Marine Board, American Land Conservancy, National Corn Growers Association, National Grain & Feed Association, Steel Manufacturers Association, National Mining Association, National Council of Farm Cooperatives, and many others from diverse segments of our national economy—all of whom benefit from inland waterways transportation.

You can see the complete list of supporters by visiting www.waterwayscouncil.org

The plan's recommendations call for funding parameters for the entire system rather than just on a project-by-project basis. This should enable us to address more of the system's critical projects so we can complete them more efficiently.

Many in Congress also support the plan. Senators Chuck Grassley (R-IA), Tom Harkin (D-IA), and Kit Bond (R-MO), for example have been active trying to drum up support from other Senators to back the Capital Development plan in a letter to Senate Committee on Environment and Public Works Chairwoman Barbara Boxer (D-CA) and ranking Member James Inhofe (R-OK). Beyond Senators Grassley, Harkin and Bond, there are currently 16 signatories to that letter: Senators Casey (D-PA), Alexander (R-TN); Byrd (D-WV), Durbin (D-IL), Specter (D-PA), Landrieu (D-LA), Cochran (R-MS), Wicker (R-MS), Shelby (R-AL), Burriss (D-IL), Corker (R-TN), Franken (D-MN), McConnell (R-KY), Vitter (R-LA), McCaskill (D-MO) and

Klobuchar (D-MN).

Again, specifically, this proposal would:

- Preserve the existing 50% industry/50% federal cost-sharing formula for new lock construction and major lock rehabilitation projects costing \$100 million or more.
- Adjust the current model to provide 100% federal funding for dam construction and major rehabilitation and smaller lock rehabilitation projects, recognizing the value derived by other beneficiaries from dams and the pools created by dams.
- Include a cost share cap on new lock construction projects to incentivize keeping projects on budget and prevent industry taxpayers from bearing the burden of paying for unreasonable cost overruns. This will strengthen the ability of the Inland Waterways Trust Fund to fund more priority projects in the pipeline.
- Necessitate a 30% to 45% increase in the existing fuel tax of 20-cents-per-gallon that is paid by the barge and towing industry, the only users of the system who currently are taxed. At the same time, the recommended reforms to the Corps of Engineers' project management and delivery process would ensure that these additional resources are spent wisely.

In order to bring navigation projects online and complete them efficiently, positive change in the industry starts now. The Inland Waterways Capital Development Plan proposal will help maintain America's competitive edge and keep its cargo—and our nation's economy—on the move.

For a copy of the full report and recommendations, and to endorse the plan, visit Waterways Council's web site at www.waterwayscouncil.org **ML**