

Industry to Press for Inland Waterway Investment, Amid Obama Admin's Objections

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Leaders of the waterway navigation industry and the Army Corps of Engineers, among others, will go before a House subcommittee this week to debate options for investment in the nation's locks, dams and inland waterways.

Republicans in charge of the House Transportation and Infrastructure Committee called Wednesday's meeting of the Water Resources and Environment Subcommittee to discuss the maintenance and construction needs and the funding challenges facing the nation's waterway infrastructure.

The hearing comes as GOP committee leaders continue to draft a transportation reauthorization bill that they say will include a maritime component. Committee Chairman John Mica (R-Fla.) said last week that the bill was 70 percent written.

Waterways industry leaders are expected to make the case for their proposed \$7.6 billion, 20-year inland waterway capital development plan, which the Obama administration opposes.

The industry's plan, which they hope to see included in any upcoming water resources or transportation bill, calls for investing about \$380 million annually into the inland waterways system. Of that, \$110 million would come from the Inland Waterways Trust Fund, which collects a 20-cent-per-gallon diesel fuel tax on waterways users, while the remaining \$270 million would come from the treasury.

Industry wants to raise the fuel tax 6 to 9 cents per gallon, while ensuring that the trust fund is no longer used to contribute to smaller lock rehabilitation projects or dam construction and repairs. Dams, they argue, should be 100 percent federally funded, since they provide hydropower, water supply and flood control benefits enjoyed by many outside of their industry.

The industry plan would also put a project-by-project, cost-sharing cap in place that essentially would require the federal government to pay 100 percent of construction or rehab costs beyond a specified limit.

Debra Colbert, spokeswoman for the Waterways Council Inc., whose president and CEO, Mike Toohey, is set to testify Wednesday, pointed to egregious cost overruns at the Olmstead Locks and Dams near Olmstead, Ill. The project's cost has tripled since it began in 1996, ballooning from \$775 million to \$2 billion and climbing today.

"That's just a perfect example of why we need something like the capital development plan, because the industry just has to absorb the cost for that," Colbert said. "We don't have a say in the cost escalation."

Waterway industry groups have launched a major public relations effort to push for their plan, including running commercials on TV stations inside the Washington Beltway, arguing that waterway shipping is more cost-effective and produces fewer emissions than truck and rail alternatives.

Critics question those claims, saying the industry is heavily subsidized and that many waterways receive too little use to justify the amount of federal investment that has gone into their maintenance.

Earlier this year, Assistant Secretary of the Army for Civil Works Jo-Ellen Darcy presented the administration's 2012 budget proposal for the Army Corps that cut funding for harbors and waterways "that support little or no commercial use."

Under questioning, she criticized the waterway industry's capital development plan, which she said "shifted the cost share burden to the federal taxpayer and took it away from the users" ([E&E Daily](#), April 14).

Darcy told lawmakers that the administration would have a proposal of its own soon. Colbert says no proposal has come out and that something was needed if President Obama hoped to achieve his stated goal of doubling exports over the next five years.

"This funding model is broken, and we cannot move forward," she said. "We cannot increase exports unless we look at all the issues associated with this infrastructure."

Schedule: The hearing will be at 10 a.m. Wednesday, Sept. 21, in 2167 Rayburn.

Witnesses: Mike Toohey, president and CEO of the Waterways Council Inc.; Assistant Secretary of the Army for Civil Works Jo-Ellen Darcy; as well as others from the Inland Waterways Users Board, Center for Transportation Research, University of Tennessee, Knoxville, National Corn Growers Association, and Taxpayers for Common Sense.

