

# THE HILL



## Water shipping industry wants more money for dredging

By Keith Laing - 03/24/11 03:00 PM ET

The Army Corps of Engineers should be allocating more money to pay for dredging projects on heartland rivers, the Waterways Council said in a wide-ranging interview with The Hill on Thursday.

The Corps of Engineers has allocated \$66 million for dredging along the Mississippi River and other bodies of water, but the work is expected to cost \$100 million, Waterways Council President Cornell Martin said.

In past years, the Corps of Engineers typically funded cost overruns of dredging projects, Martin said. But it will not in this year of federal budget-slashing.

"When they run out of money, they run out of money," he said.

Reps. Steve Scalise (R-La.) and Jerry Costello (D-Ill.), along with more than three dozen other lawmakers, have written to President Obama urging that he weigh in on the dredging shortfall. Obama's proposed 2012 budget included an overall \$57 million cut in Corps of Engineers funding.

"While river conditions have improved, the dredging policy put in place by the Army Corps of Engineers ... and ensuing draft restrictions have had a negative impact on commerce and remain a serious concern," the lawmakers wrote in their letter.

"As river levels change over the next few months, draft restrictions will likely have to be re-imposed because the river is not being sufficiently dredged by the Corps."

The Waterways Council, the main industry group that promotes shipping, is also pushing for more funding for commercial navigation projects, which it argues are also greatly underfunded.

At current funding levels, six lock and dam projects totaling \$3.6 billion would be funded over 20 years, Martin said. The industry has proposed a Capital Development Fund that would pay

for more than 20 projects in the same time period, and recently had representatives meet with 115 lawmakers to try to build support for the project.

The group's hope is that the development fund could be included in a waterways bill later this year.

Dredging projects and other improvements to inland waterways are funded through the Inland Waterways Trust Fund. The Corps of Engineers Civil Works program included \$77 million for trust fund-financed projects in Obama's 2012 budget proposal. Industry contributes half of the fund's revenue through a 20-cent-per-gallon fuel tax, which is used to pay for modernizing the system.

The Waterways Council is proposing that this tax be increased to pay for more projects, and that the federal government kick in more money so that the waterways system can be modernized and improved.

The group argues this would benefit the economy and help meet Obama's goal of doubling U.S. exports in the next decade. It also argues that if the waterways are not improved, more trucks carrying cargo and freight will hit the highways.

*The story was corrected at 6:04 p.m. from an earlier version.*