

Modern Waterways Infrastructure = Jobs

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As this column is written, President Obama was set to announce the details of a new initiative to expand jobs. With unemployment hovering at around 9%, and twice that level in the construction industry, this is welcome news for the entire nation.

Those of us in the waterways industry, led by Congressional champions such as Congressman Nick Rahall, have urged the President to include critical waterways infrastructure in his plan to grow American jobs in the middle part of the country.

Just like in the early 1800s when Lewis and Clark set out on their expedition to discover new routes for expanded trade and commerce, our nation's inland rivers are an economic engine that keeps our coal, agricultural, petrochemical, construction materials and other products moving to the world marketplace. This translates to expanded exports, a prosperous economy and also to family-wage American JOBS!

While often overlooked, the nation's waterways transport more than 60% of U.S. grain exports, 22% of domestic petroleum and 20% of the coal used in electricity generation. More than 30,000 Americans are employed on towing vessels, with 800,000 American jobs dependent on the waterways. And as we continue to see expansion of container-on-barge shipping from Panama Canal improvements for example, that number will increase.

But while the opportunities for increasing exports and jobs remain strong on the waterways, there is also the risk that we could lose jobs and workers if we fail to modernize the lock and dam infrastructure that facilitates the very commerce that annually accounts for around 624 million tons of cargo, equal to around \$70 billion to the U.S. economy. The same is true if we fail to properly dredge the navigable channels that lead to our export ports, as witnessed this spring and summer on the Lower Mississippi River.

Our nation's inland waterways system includes 12,000 miles of commercially navigable channels and 240 lock sites that allow commerce to move to and from 38 states, from industrial and agricultural centers in the heartland to the Pacific Northwest to the Gulf Coast. Moving this freight on the waterways to the ports for export also relieves traffic congestion on our roadways, and helps our air quality since towboats emit fewer carbons than truck and rail.

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service more than 20 years beyond their design life. Failing electrical systems, cracking concrete structures, and gate failures and other unscheduled emergency shutdowns that occur as frequently as scheduled closures are commonplace. This aging transportation infrastructure system needs recapitalization and modernization so that the National economy can expand and we are assured that taxpayer dollars are not wasted over decades to complete navigation projects, and real cost-savings are not "washed down the river of complacency."

As rational individuals, we all recognize that the current project funding and delivery system is inefficient and wasteful. While the navigation industry has significantly invested in the system's reliability through a diesel fuel tax paid into the Inland Waterways Trust Fund, far too few projects are being undertaken and completed on time and within budget. In fact, project construction now stretches out over decades and the cost is sometimes five times more than the original price-tag, an unacceptable situation.

As a solution to this broken funding system, a joint effort by government and industry has developed a plan known as the Inland Marine Transportation System (IMTS) Capital Projects Business Model. We believe that this capital development plan is a path forward to efficiently completing 25 navigation projects in 20 years, on time and on budget. Under the current system, just six would be completed in that same time period.

Last November (2010), President Obama, in discussing the importance of exports to the nation's economy said, "The most important contest we face is not the contest between Democrats and Republicans. In this century, the most important competition we face is between America and our economic competitors around the world." In kicking off his jobs initiative last month in Iowa, the President added, "America is going to come back from this recession stronger than before..And I'm also convinced that comeback

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isn't going to be driven by Washington. It is going to be driven by folks here in Iowa. It's going to begin in the classrooms of community colleges like this one. It's going to start on the ranchlands and farms of the Midwest, the workshops of basement inventors, and storefronts of small business owners."

Let's connect the dots between competition, exports and jobs. The waterways are the link to all three, and the proposed capital development plan should be part of our country's solution to a more vibrant economy and a path toward growth.