

WATERWAYS DESERVE FUNDS

THE RELEASE OF the president's fiscal 2012 budget on Valentine's Day and its historically low funding level for the U.S. Army Corps of Engineers' Civil Works Program was anything but a message of love.

That's not unexpected in this fiscally conservative environment, but the slashed Civil Works budget is problematic not only for the corps, but for the nation, overall, as well.

Why? America's inland waterways are a precious natural resource, and remain the envy of the world because of the "water highway" our expansive waterways system provides for commerce. But too often, our rivers and waterways are out of sight, out of mind.

Nonetheless, modern lock and dam infrastructure is critical to our nation's competitiveness, to the efficient movement of the intermodal supply chain, to environmental protection, to energy efficiency, to the sustainment of well-paying American jobs and to traffic congestion relief.

In real numbers, America's inland navigation system moves more than 600 million tons of freight commodities valued at more than \$70 billion each year. This includes about 20 percent of the coal burned to generate electricity in utility plants, roughly 22 percent of domestic petroleum products, and approximately 60 percent of U.S. grain for export, helping our nation's farmers and growers to compete internationally at a fraction of the cost of the other bulk modes.

The beneficiaries of the waterways system are many because rivers provide stable pools of water for industrial, municipal and agricultural use, generate hydropower, provide flood protection, create recreational opportunities, and enhance property values along waterfronts.

But like much of the nation's infrastructure, the inland waterways system, while still reliable for our shippers, is aging. A significant number of

locks and dams were built in the 1930s and have deteriorated more than 20 years beyond their design life. The system regularly witnesses failing electronic components, crumbling concrete, breakages of miter gates, and a growing number of emergency shutdowns across the system.

Many of the locks in use today are too small for the larger barge tows transiting the system. On the Upper Mississippi River, for example, nearly all the lock chambers are only 600 feet long, while the average length of a modern barge tow is 1,200 feet. As a result, tows must be split in half and transit one section at a time. This results in delays for shippers — sometimes as long as 12 hours — the cost of which gets passed onto consumers for domestic products and to foreign customers for exports.

While the nation recovers from economic recession, times are tough for raising efficient funding levels for the modernization of inland waterways. The project funding and delivery system, particularly within the inland waterways sector of the transportation network, is inefficient and wastes too much time and money.

Since 1986, the commercial segment of the towing and barge industry has paid a 20 cents-per-gallon diesel fuel tax into the Inland Waterways Trust Fund for construction and major rehabilitation of the locks and dams. They are the only users of the system to pay a tax, despite the many beneficiaries.

But despite industry's commitment to the reliability of the system, far too few navigation projects have been completed. For example, the Olmsted Locks and Dam project on the Ohio River, when completed, should save shippers \$500 million annually in fuel, labor and shipping expenses. But construction has dragged on as a result of underfunding, changing requirements and escalating costs. Olmsted initially was expected to

cost \$775 million over 12 years, but is now projected to cost \$2.1 billion over 26 years. This is unacceptable.

A solution to this problem has been formulated. The Inland Waterways Capital Development Plan is a comprehensive, consensus-based package of recommendations that addresses the need to improve the vitality of the U.S. inland navigation system and its infrastructure. The plan would implement changes to allow the completion of navigation projects on time, on budget and in a more efficient way so that we, as a nation, can double our exports over the next several years, as called for by President Obama.

The plan was developed over 18 months by the Inland Marine Transportation System Investment Strategy Team, composed of corps personnel and members of the federally mandated Inland Waterways Users Board. It is supported by more than 200 stakeholders, including conservation community members, the U.S. Chamber of Commerce, the National Association of Manufacturers, shippers, users, energy companies and others with a stake in this great system.

While our nation ignores its waterways infrastructure, other countries are marching ahead by developing and upgrading their own systems in order to compete with the United States. We have already lost market share for soybean exports to Brazil.

As a nation, we must look beyond today at the challenges that lie ahead and reinvest in waterways infrastructure that keeps America moving, keeps us strong, and gives us our competitive edge. The alternative is far too expensive and will cost us all more than we would be willing to pay. **joc**

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