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FEBRUARY 6, 2006

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PRESIDENT'S FY 2007 CIVIL WORKS BUDGET
FOR U.S. ARMY CORPS OF ENGINEERS
REQUESTS RECORD LEVEL FUNDING FOR
INLAND WATERWAYS HIGH PRIORITY LOCK
AND DAM PROJECTS

FOR SECOND YEAR IN A ROW, BUDGET REQUEST IS HIGHEST OVERALL FOR
CORPS CIVIL WORKS BUDGET AND FOR INLAND WATERWAY TRUST FUND-
FINANCED PROJECTS

WASHINGTON, DC – President Bush's FY 2007 proposed budget requests a record level of new federal funding for 11 Inland Waterways Trust Fund (IWTF)-financed projects. The budget request proposes FY '07 spending of \$394 million for Inland Waterways Trust Fund financed projects, of which \$197 million will come from the dedicated Inland Waterways Trust Fund. The remainder would come from general treasury funds, as required under current law. The President's FY '07 budget request is the highest funding recommendation for IWTF funded projects since cost-sharing legislation was enacted into law in 1986.

The proposed FY 2007 budget also requests record level federal funding for the entire U.S. Army Corps of Engineers Civil Works program of \$4.733 billion. Last year's (FY '06) budget request was \$4.513 billion, then a record. "This FY 2007 budget demonstrates the Administration's continued, solid understanding of the many benefits of our Nation's critically important inland waterways system," said R. Barry Palmer, President and CEO of Waterways Council, Inc. "It also exemplifies the goal of keeping the United States economically competitive."

The Administration's support for Waterways Council, Inc.'s priority projects include funding for Olmsted Locks and Dam (Ohio River, IL/KY), \$110 million; McAlpine Lock (Ohio River, IN/KY), \$70 million; Marmet (Kanawha River, West Virginia), \$50.8 million; Lower Monongahela River 2, 3 and 4 (PA), \$62.8 million; Chickamauga Lock (Tennessee River, TN), \$27 million, and Emsworth Dam (Ohio River), \$17 million. Also approximately \$50 million was allocated for five additional major rehabilitation projects on the system, Locks and Dams 11, 19, 24, and 27 (Upper Mississippi River), and Markland (Ohio River).

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Palmer expressed Waterways Council's unhappiness for the proposed suspension of funding for projects not as far along in their construction cycle, such as the Inner Harbor Navigation Lock Replacement (LA) and Kentucky Lock Addition (Tennessee River, KY). "We are also disappointed that there was no request for additional funding of preconstruction engineering and design (PED) to continue Upper Mississippi River/Illinois Waterway lock and dam modernization projects. The Nation needs to move more quickly to construct these navigation improvements, as well as PED projects that, if given a fighting chance, could produce high-yield returns," Palmer said.

A critical economic generator, the Nation's waterways transport key building-block commodities such as coal, grain, petroleum, chemicals, and aggregates that fuel the Nation's industrial and agricultural activity. The U.S. barge and towing industry saves shippers and consumers more than \$7 billion annually compared to alternate transportation modes. Also more environmentally sound, waterways transport handles cargo equal to 40 million trucks or 10 million rail cars each year.

Waterways Council, Inc. is the national public policy organization advocating a modern and well-maintained national system of ports and inland waterways. The group is supported by more than 250 waterways carriers, shippers, port authorities, shipping associations and waterways advocacy groups from all regions of the country.