

NEWS RELEASE



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PRESIDENT'S FY 2008 BUDGET REQUESTS HIGHEST LEVEL OF FUNDING FOR U.S. ARMY CORPS OF ENGINEERS CIVIL WORKS PROGRAM PRIORITY LOCK AND DAM PROJECT FUNDING LEVELS REMAIN HIGH

Although it represents a decrease from the FY 2007 spending level, President Bush's FY 2008 proposed budget nonetheless requests the highest level of funding ever included in any President's budget for U.S. Army Corps of Engineers water resources projects and programs, a total of \$4.871 billion. Last year's (FY 07) budget request was \$4.733 billion. This budget request also proposes FY '08 spending of \$418 million for Inland Waterways Trust Fund financed projects, of which one-half will come from the dedicated Inland Waterways Trust Fund. The remainder would come from general treasury funds, as required under current law.

The FY 2008 Civil Works Budget notes that, "the Administration is developing and will propose legislation to require payment of a user fee ... on the commercial interests that benefit from Corps spending on the inland waterways." It should be noted that a diesel fuel tax of 20 cents per gallon is currently being levied on towboat operators who move commerce on America's inland navigation system, and this group of taxpayers are not the only beneficiaries of the system. The Administration's budget statement raises many questions about the nature and scope of any new tax proposal, and Waterways Council, Inc. will be patient in commenting further until a specific tax initiative has been floated.

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FY 08 BUDGET.../2

The President's FY 08 budget also requests a significant increase in Operations & Maintenance (O&M) funding of Corps infrastructure projects. "The federal government is demonstrating that more money is needed to maintain our critically important inland navigation system," said R. Barry Palmer, President and CEO of Waterways Council, Inc. "This budget supports our country's goal of remaining economically viable and competitive," he continued.

Funding for priority lock and dam construction projects remains at record levels in the FY 2008 budget. Specifically the Administration's support for Waterways Council, Inc.'s priority projects include funding for Olmsted Locks and Dam (Ohio River, IL/KY), \$104 million; Kentucky Lock Addition (Tennessee River, KY), \$52 million; McAlpine Lock (Ohio River, IN/KY), \$45 million; Marmet (Kanawha River, West Virginia), \$25 million; Lower Monongahela River 2, 3 and 4 (PA), \$70.3 million; Chickamauga Lock (Tennessee River, TN), \$35.2 million, and Emsworth Dam (Ohio River), \$43 million. *(See attached funding chart)*

In this FY '08 budget approximately \$22 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).

Palmer expressed Waterways Council's disappointment for the proposed suspension of funding for the Inner Harbor Navigational Canal Lock (New Orleans, LA), Pre-Construction Engineering and Design (PED) for the Upper Mississippi and Illinois Waterway lock and dam modernization projects, John T. Myers Locks and Dam (Ohio River, IN/KY), and Greenup Locks and Dam (Ohio River, KY/OH), all considered priority projects to WCI members.

America's waterways system is an economic generator, attracting significant private and public investment in plants and equipment. This investment creates economic activity and family-wage jobs. The river system is a critical energy supply line, facilitator of exports, and an environmentally superior mode of transport.

More than 625 million tons of freight commodities move on America's inland navigation system each year. This commercial traffic includes building block commodities such as grain for domestic and international markets, steam coal for electric power generation, steel to domestic and international locations, petroleum products to distributors, feedstocks to chemical plants, and aggregate materials for construction use.

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 waterways carriers, shippers, port authorities, shipping associations and waterways advocacy groups from all regions of the country.

Visit www.waterwayscouncil.org.



FY 2008 Funding of America's Lock and Dam Modernization Projects

	FY 2006 Appropriations Act	FY 2007 President's Budget Request	FY 2007 House Markup	FY 2008 President's Budget Request
Construction				
Robert C. Byrd Lock & Dam Ohio River, OH/WV	\$914,000	\$1,800,000	\$1,800,000	\$1,000,000
Chickamauga Lock & Dam Tennessee River, TN	10,000,000	27,000,000	27,000,000	35,200,000
Emsworth Dam Ohio River, PA	15,000,000	17,000,000	17,000,000	43,000,000
Greenup Lock & Dam Ohio River, KY/OH		0	200,000	0
Inner Harbor Navigation Canal, New Orleans, LA	11,250,000	0	18,000,000	0
Kentucky Lock Addition Tennessee River, KY	23,000,000	0	10,000,000	52,000,000
Lockport Lock & Dam Illinois Waterway, IL				20,445,000
Marmet Lock & Dam Kanawha River, WV	73,500,000	50,800,000	50,800,000	25,000,000
McAlpine Lock & Dam Ohio River, IN/KY	70,000,000	70,000,000	70,000,000	45,000,000
Locks & Dams 2, 3, & 4 Monongahela River, PA	50,800,000	62,772,000	62,772,000	70,300,000
J. T. Myers Lock & Dam Ohio River, IN/KY	700,000	0	2,000,000	0
Olmsted Lock & Dam Ohio River, IL/KY	90,000,000	110,000,000	110,000,000	104,000,000
Winfield Lock & Dam Kanawha River, WV	2,400,000	4,300,000	4,300,000	0
*Undesignated		9,328,000	0	0
Major Rehabilitation				
Lock & Dam 3 Upper Miss., MN	1,500,000	0	0	0
Lock & Dam 11 Upper Miss., IA& WI	7,580,000	20,300,000	20,300,000	6,300,000
Lock & Dam 19 Upper Miss., IA	17,502,000	5,400,000	5,400,000	698,000
Lock & Dam 24 Upper Miss., IL& MO	4,300,000	3,900,000	3,900,000	340,000
Lock 27 Upper Miss., IL & MO	563,000	3,400,000	3,400,000	7,542,000
Markland Lock & Dam Ohio River, IN & KY		8,000,000	8,000,000	7,800,000
Subtotal (this page)	\$379,009,000	\$394,000,000	\$414,872,000	\$418,625,000

Investigations

Calcasieu Lock

Gulf Intracoastal Waterway, LA

Emsworth, Dashiels & Montgomery (Upper Ohio R.)

Upper Mississippi/Illinois River Study (PED)

Bayou Sorrel Lock, LA (PED)

Gulf Intracoastal Waterway, LA

Greenup Lock & Dam

Ohio River, KY/OH

TOTAL, both pages

200,000	247,000	400,000	395,000
1,275,000	0	1,300,000	0
10,000,000	0	0	0
1,250,000	1,500,000	1,500,000	1,371,000
225,000	0	Funded in construction	0
\$391,959,000	\$395,747,000	\$418,072,000	\$420,391,000

The President's FY 2008 Budget assumes \$198 million will be spent from the Inland Waterways Trust Fund, or \$396 million for Trust Fund financed projects.

Civil Works Program	FY 2006 Enacted	FY 2007 Request	FY 2007 House	FY 2008 Request
General Investigations	\$164,000,000	\$94,000,000	\$128,000,000	\$90,000,000
Construction, General	2,372,000,000	1,555,000,000	1,929,471,000	1,523,000,000
Operations & Maintenance	1,989,000,000	2,258,000,000	2,195,471,000	2,471,000,000
MR&T Flood Control	400,000,000	278,000,000	290,607,000	260,000,000
Regulatory Program	160,000,000	173,000,000	173,000,000	180,000,000
General Expenses	154,000,000	164,000,000	156,300,000	177,000,000
Formerly Utilized Sites	140,000,000	130,000,000	130,000,000	130,000,000
Office of the ASA/CW	4,000,000	*	5,000,000	*
Flood Control/Coastal Emergencies	0	81,000,000	32,000,000	40,000,000
TOTAL	\$5,383,000,000	4,733,000,000	**\$4,983,803,000	\$4,871,000,000

*Line item for General Expenses includes funding for ASA/CW office.

**Total includes \$56,046,000 rescission of previous appropriations later funded through other appropriations.

Civil Works Program	FY 2002 Enacted	FY 2003 Enacted	FY 2004 Enacted	FY 2005 Enacted
General Investigations	\$154,350,000	\$134,141,000	\$116,949,000	\$144,500,000
Construction, General	1,715,951,000	1,744,598,000	1,722,319,000	1,796,089,000
Operations & Maintenance	1,874,803,000	1,966,556,000	1,967,925,000	1,959,101,000
MR&T Flood Control	345,992,000	342,334,000	324,222,000	324,500,000
Regulatory Program	127,000,000	138,096,000	140,000,000	145,000,000
General Expenses	153,000,000	154,143,000	160,000,000	167,000,000
Formerly Utilized Sites	140,000,000	144,057,000	140,000,000	165,000,000
Flood Control/Coastal Emergencies		14,902,000		
TOTAL	4,511,096,000	4,638,827,000	4,571,415,000	4,701,190,000