



NEWS RELEASE

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February 2, 2010

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**PRESIDENT'S FY 2011 BUDGET UNDERSCORES NEED FOR
CONGRESS TO ADOPT RECOMMENDATIONS TO ENSURE
RELIABILITY, VITALITY OF AMERICA'S
INLAND NAVIGATION SYSTEM**

WASHINGTON, DC – On the heels of the release of the President's FY 2011 budget, Waterways Council, Inc. (WCI) is urging Congress to adopt a new comprehensive, consensus-based package of recommendations formulated by an industry and U.S. Army Corps of Engineers working group to ensure the continued vitality of the U.S. inland navigation system for the next 20 years. If adopted, these recommendations would better address the needs of the entire system and provide more dollars for greatly needed infrastructure improvements.

This proposal is supported by industry and government as a way to fund the navigation system in lieu of the imposition of a lockage fee unsuccessfully offered in the last two fiscal year budgets and strongly opposed by WCI and Members of Congress.

The recommendations were developed over a year-long period by the Inland Marine Transportation System Investment Strategy Team, comprised of key U.S. Army Corps of Engineers personnel and members of the congressionally established Inland Waterways Users Board, a federal advisory committee that provides advice to Congress and the Assistant Secretary of the Army (Civil Works). Many in Congress have been very supportive of the process to create this set of recommendations.

The proposed recommendations prioritize navigation projects across the entire system, improve the Corps of Engineers' project management and processes to deliver projects on time and on budget, and recommend a funding mechanism that is affordable and meets the system's needs.

“Government and industry stakeholders are committed to this consensus-based Long Term Capital Plan that will ensure that our nation continues to derive the full benefit from our energy-efficient, congestion-relieving waterways transportation system,” said Cornel Martin, WCI

President & CEO. “These recommendations urge funding parameters for the entire system rather than simply on a project by project basis,” Martin continued.

The recommendations would preserve the existing 50/50 (50% industry/50% federal) cost-sharing formula for new lock construction and major rehabilitation projects above \$100 million, while adjusting the current model to provide that dam construction and smaller rehabilitation projects would be 100% federally funded. These adjustments partially restore the original exclusion under WRDA ‘86 of major rehabilitation projects from cost-sharing and recognize the value derived by other beneficiaries of dams and the pools created by dams.

Also recommended is a cost-share cap on all new lock construction projects that would preserve the Inland Waterways Trust Fund by preventing the industry from having to fund significant cost overruns.

These new recommendations would necessitate an increase in the current 20-cents-per-gallon fuel tax currently paid by the barge and towing industry, the only users of the system who are taxed, but is viewed as worth the investment by industry in order to ensure the future viability and efficiency of America’s inland waterways system.

Specifically, the President’s FY 2011 budget includes funding for the following projects in the following amounts:

Lock & Dam 27, \$0.350 million; Olmsted Lock & Dam, \$136 million; Kentucky Lock, \$2.868 million; Markland, \$5.4 million; Emsworth, \$11.5 million; and Lower Mon, \$2 million. Bayou Sorrel will receive Pre-Construction Engineering & Design (PED) funding in the amount of \$2 million.

“If the recommendations for the consensus-based Long-Term Capital Plan were in place today, this budget could address more of the system’s needs—more critical projects would be funded,” Martin concluded.

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. Visit www.waterwayscouncil.org.