



NEWS RELEASE

FOR IMMEDIATE RELEASE

March 8, 2010

CONTACT: Debra Colbert,
dcolbert@vesselalliance.com,
301-332-0813

**WCI ADDRESSES PRESIDENT'S FY 2011 CIVIL WORKS BUDGET,
URGES CONGRESS TO ADOPT RECOMMENDATIONS TO IMPROVE
RELIABILITY OF AMERICA'S INLAND NAVIGATION SYSTEM**

WASHINGTON, DC – Waterways Council, Inc. (WCI) held a press event today at the National Press Club to address the President's FY 2011 budget request for the Army Corps of Engineers, and to outline the new comprehensive, consensus-based package of recommendations formulated by an industry and U.S. Army Corps of Engineers working group to improve the reliability of the U.S. inland navigation system over the next 20 years. If adopted by Congress, these recommendations will better address the needs of the entire system and provide more funding for much needed infrastructure improvements.

The set of recommendations is receiving strong indications of support from national water resource interest groups and others as a way to fund the navigation system in place of the highly opposed imposition of a lockage fee unsuccessfully offered in the last two fiscal year budgets. WCI and members of Congress have spoken out against the lockage fee proposal.

These new 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 waterways industry representatives, including 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). While Congress has not yet officially responded to these recommendations, many in Congress have been very supportive of the process to create them.

The 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.

Specifically, the recommendations would preserve the existing 50/50 (50% industry/50% federal) cost-sharing formula for new lock construction and major rehabilitation projects costing

at least \$100 million, while adjusting the current model to provide that dam construction and repair and smaller lock rehabilitation projects would be 100% federally funded. These adjustments 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 protect the Inland Waterways Trust Fund by preventing the industry from having to fund significant cost overruns.

These new recommendations would necessitate a 30-to-45-percent increase in the 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 improve the viability and efficiency of America's inland waterways system.

“Stakeholders in government and within industry are strongly committed to this consensus-based Long Term Capital Plan that will help ensure that our country continues to derive the 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 and help improve the reliability of this critical transportation system,” Martin continued.

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.