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Little Testifies In Favor Of Waterway Funding Changes

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Washington, D.C.—The House Water Resources and Environment Subcommittee met April 15 to hear additional proposals for a new Water Resources Development Act (WRDA) that could be introduced this year.

Currently, the subcommittee is evaluating more than 2,200 project requests from both Democratic and Republican members of Congress for consideration in this year's bill.

Among witnesses delivering requests to the subcommittee was Stephen D. Little, president and chief executive officer of Crouse Corporation and chairman of the Inland Waterways Users Board. Little detailed the recommendations of the Inland Marine Transportation System (IMTS) Capital Investment Strategy Team (CIS) and urged the subcommittee to include in its next WRDA the provisions necessary to implement the recommendations endorsed by the Users Board and several other major waterway industry groups.

Little told the subcommittee that the CIS Team "has produced a comprehensive, consensus-based, joint industry/Corps of Engineers set of proposals to address the capital investments that should be made over the next 20 years in order to preserve and enhance the performance of our nation's inland waterway transportation system."

The CIS Team proposed a \$7.6 billion 20-year inland waterway capital investment program that would entail an average annual investment level of \$380 million, including \$110 million that would come from the Inland Waterways Trust Fund and \$270 million from general revenue. Under the plan, the trust fund would be fed by a 30- to 45-percent increase in the current 20-cents-a-gallon diesel fuel tax.

Among other things, the plan would offer ways to improve the Corps' project delivery system and prioritize specific capital investments needed over the next 20 years.

Little said the inland waterway modernization challenge is the need to create and implement an improved program for the future.

"We have an aging system that needs re-capitalization," Little said. "We have a project funding and delivery system that is too inefficient, resulting in much wasted time and money. While we now have invested the unnecessary surplus in the Inland Waterways Trust Fund, that has resulted in too few finished projects. And all of this comes in the face of an unprecedented economic crisis that is severely stressing our waterway industry and the nation."

Also testifying before the subcommittee was Barry W. Holliday, executive director of the Dredging Contractors of America and chairman of the Harbor Maintenance Trust Fund Fairness Coalition.

Holliday said that last year, the Harbor Maintenance Tax produced about \$1.3 billion from shippers for the purpose of funding dredging projects. However, only \$808 million of dredging costs were reimbursed from the trust fund. At that level of funding, Holliday said, most ports and harbors were unable to be dredged to their authorized project dimensions.

"Without a navigation channel dredged to its authorized width and depth, a port's economic viability is threatened," he said. "The United States will lose existing business and potential new business to foreign ports; once lost, history shows it is rarely regained."

America's deepdraft navigation system is "at a crossroads," Holliday warned. The ability of U.S. ports and harbors to support the nation's continuing growth in trade and defense efforts "hinges on much-needed federal attention to unresolved funding needs that are derailing critical channel maintenance and deepdraft construction projects of the water highways to our ports."

Rep. James L. Oberstar (D-Minn.), chairman of the House Transportation and Infrastructure Committee, stressed "transparency and accountability" in the development of a new WRDA. In remarks during the hearing, Oberstar reminded the interest groups offering project requests that in 2007 his committee

adopted a policy requiring each project authorization has to be requested by a member of Congress and accompanied by a "no financial interest" certification signed by the requesting member.

"That transparency and accountability principle continues to be the committee's policy as we proceed in the formulation of a water resources bill for 2010," Oberstar said. "The committee report will list all sponsors of project authorizations and the accompanying financial certifications will be made publicly available prior to consideration of the bill in the House."

Small Shipyard Grants

The Maritime Administration has announced \$14.7 million in grant awards to help 17 small shipyards in 16 states become more competitive by purchasing modern equipment and training workers.

"Small shipyards are an important part of our nation's shipbuilding industry," said David Matsuda, acting maritime administrator. "Shipyards on both coasts, the Great Lakes and our inland waterways will be able to increase productivity and be more competitive as a result of these grants."

The grants, which are part of the Assistance to Small Shipyards program, will go to shipyards that provide essential services to commercial and government ships. MarAd received more than 160 applications requesting \$180 million in assistance.

The shipyard receiving the largest grant, \$1.8 million for a 500-ton travelift crane, was Gulf Craft LLC in Patterson, La. Fraser Shipyards Inc. at Superior, Wis., won the smallest grant, \$257,990, for a cutting machine and welding equipment. (Editor's note: The WJ will have more on the Small Shipyards Grants in our Construction and Repair issue, May 10.)

Inland Navigation Rules

The Coast Guard has adopted a final rule placing the Inland Navigation Rules into the

Code of Federal Regulations.

Adoption of the final rule is in accordance with the Coast Guard and Maritime Transportation Act of 2004, which repeals the Inland Navigation Rules as of May 17, 2010.

Future updates of the Inland Navigation Rules will be accomplished through rulemaking rather than legislation.

For more information, contact Lt. Scott Medeiros at 202, 372-1565.

Spending The HMTF

The Great Lakes Maritime Task Force says that ships working the Great Lakes won't leave port with their cargo holds less than full if Congress passes legislation introduced April 15 in the Senate.

The bill, S. 3213, would require the government to stop diverting the taxes it collects for dredging to paper balance the federal budget and instead spend them for their intended purpose: Maintaining the nation's deepdraft ports and waterways.

Introduced by Sen. Carl Levin (D-Mich.), the bill requires the Harbor Maintenance Trust Fund to spend what it takes in each year. The tax levied on cargo moving through deepdraft ports and deposited into the trust fund totals as much as \$1.6 billion a year. Since annual expenditures are less than \$800 million, the fund now has a surplus of nearly \$5 billion.

James H.I. Weakley, president of the task force, said that when a vessel leaves iron ore at the loading dock, "that affects the cost of the steel that goes into our cars and our refrigerators. The coal that's left behind impacts the cost of electricity. The aggregate that doesn't get shipped weakens the construction industry's ability to begin the desperately needed rebuilding of our basic infrastructure. Overseas cargoes become less competitive with East, West and Gulf Coast ports."

Marine Highway Program

The Maritime Administration has invited applications for marine highway projects as discussed in the final rule that established America's Marine Highway Program (WJ, April 19). The final rule specifies that under the program, the secretary of transportation will designate marine highway corridors and identify and support short sea transportation projects.

The Maritime Administration said that the applications for projects must comply with the requirements of the program's final rule, and be submitted in accordance with the instructions contained in that rule. The application period, which opened April 15, will remain open through June 11.

Requirements of the program are spelled

out in the final rule that was published in the Federal Register April 9.

For more information, contact Michael Gordon at 202, 366-5468.