



INLAND WATERWAYS INFRASTRUCTURE AND FUNDING

Implement Comprehensive Solution to Inland Waterways Infrastructure Design, Construction and Funding

America's inland waterways are a precious resource and the envy of the world because of the natural "water highway" the system provides for commerce. Modern lock and dam infrastructure is critical to U.S. competitiveness in the world market, to environmental protection, to energy efficiency, to the sustainment of well-paying American jobs and to congestion relief. The inland waterways system includes 12,000 miles of commercially navigable channels and some 240 lock sites. These rivers move commerce to and from 38 states, serve industrial and agricultural centers and facilitate imports and exports at gateway ports. Every year, roughly 624 million tons of waterborne cargo transit the inland waterways, a volume equal to about 14% of all intercity freight and valued at nearly \$70 billion.

Today, more than half of the 240 operational U.S. Army Corps of Engineers-funded lock chambers in the United States are over 50 years old and have exceeded their economic design lives. Due to inefficiencies in infrastructure improvement projects, the current process to construct locks and dams is taking years longer than planned at costs that are sky-rocketing compared to projects completed only decades ago. The Congressionally-authorized Inland Waterways Users Board (IWUB), comprised of key Corps personnel and waterways stakeholders, worked together to develop a comprehensive, consensus package of recommendations to ensure the continued vitality of this critical system.

Adoption of Consensus Plan will Ensure the System's Future Viability

The changes recommended by the IWUB/Corps report are intended to ensure the timely and efficient delivery of needed improvement to waterways infrastructure for the next 20 years. These changes include:

- Measures to improve the efficiency of Corps design and construction processes;
- The use of weighted criteria to prioritize which projects get funding;
- An emphasis on finishing projects in their order of commencement;
- A cost-share model that includes continuation of the 50%/50% split between industry and government for new lock construction and major lock rehabilitation projects that cost more than \$100 million, and 100% federal funding for dams and lock rehabilitation projects under \$100 million;
- A cost-share cap on industry contributions for new lock construction to prevent against escalating costs; and,
- An increase in the Inland Waterways Fuel Tax of six to nine cents per gallon.

Adoption of this comprehensive solution will allow stakeholders of the inland waterways to enjoy the benefits of infrastructure improvements for the next generation. It will also benefit the public at large by ensuring and enhancing the environmental and economic advantages of waterborne commerce.

For more information on this issue, or to take action in support of a comprehensive solution to inland waterways funding, contact Mr. Chris Coakley at (703) 841-9300, extension 297, or via email at ccoakley@vesselalliance.com.