

Inland Waterways Infrastructure Revitalization

The Inland Waterways Capital Development Plan.

by MR. STEPHEN D. LITTLE

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The federally mandated Inland Waterways Users Board makes recommendations to the Secretary of the Army about construction, rehabilitation priorities, and spending levels on the commercial navigation features and components of the inland waterways and inland harbors. As chairman, I've had the privilege of working with approximately 50 experts from the U.S. Army Corps of Engineers (USACE) and the navigation industry to develop a comprehensive, consensus-based package of recommendations to address the need for continued vitality of the inland navigation system in the United States.

On April 13, 2010, the board unanimously adopted these recommendations and released its final report, the "Inland Waterways Capital Development Plan" to Congress, in hopes of being included in a potential Water Resources Development Act. If adopted, the plan will provide additional funding for greatly needed infrastructure improvements.

Out of Sight, Out of Mind

America's inland waterways system has many tangible benefits and an even longer list of beneficiaries. More than 600 million tons of freight commodities valued at more than \$70 billion are transported each year on America's "water highways." That system moves about 20 percent of the coal burned to generate electricity in utility plants and around 22 percent of domestic petroleum products. The inland system also moves approximately 44 percent of the nation's grain for export, helping our nation's farmers to compete on the world market.¹

Unfortunately the inland waterways system is showing its age. Many of the locks and dams were built in the 1930s, and quite a number of them are more than 20 years beyond their design life. Electronic components are failing, concrete structures are crumbling, and unscheduled emergency shutdowns occur as frequently as those that are scheduled.

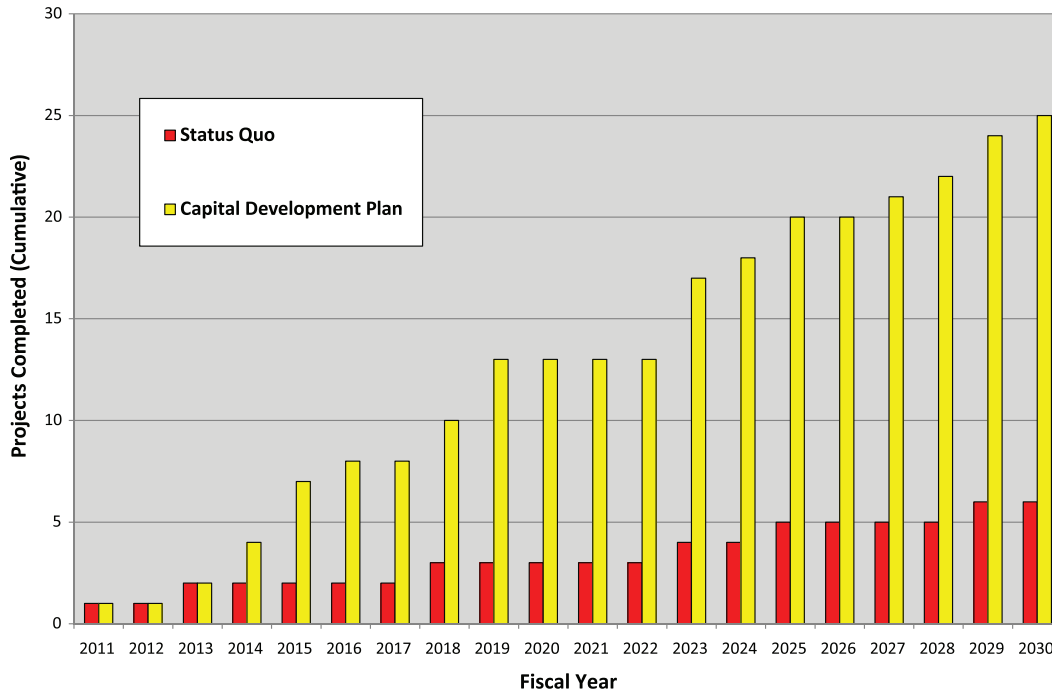
Additionally, many of our locks are too small for larger tows. On the upper Mississippi River, for example, nearly all the lock chambers are only 600 feet in length, while the average length of a modern tow is 1,200 feet. Consequently, tows must navigate these antiquated locks by splitting in half and transiting one section at a time. If not addressed, these problems will continue, resulting in significant and costly delays.

Throwing Good Money After Bad

Unfortunately the current project funding and delivery system is too inefficient, resulting in much wasted time and money. And while the industry has made significant investment in the reliability of the system through a diesel fuel tax paid into the Inland Waterways Trust Fund, far too few projects have been completed. Those that are undertaken can stretch out over decades, wasting taxpayer dollars and losing transportation cost-savings for our national economy.

For example, the Olmsted Locks and Dam project on the Ohio River is estimated to save shippers \$500 million annually in fuel, labor, and shipping expenses. Instead of providing that relief, however, the project has dragged on due to under-funding, changing require-

Project Comparison Status Quo vs. Capital Development Plan



The capital development plan offers a path to complete 25 navigation projects in 20 years.

ments, and continually rising costs. The project was initially expected to cost \$775 million over 12 years and is now projected at \$2.1 billion over 26 years.²

The Plan

To address this type of problem, the Inland Waterways Capital Development Plan:

- Proposes a national prioritized list of navigation projects based on objective criteria such as economic benefit and project condition.
- Offers a path to complete 25 navigation projects in 20 years, on time and on budget, rather than the six projects under the current business model.
- Seeks standardization and design centers of expertise.
- Creates jobs and allows for increased exports to market.
- Better utilizes taxpayer dollars to drive commerce.

The proposal includes a project-by-project cost-sharing cap to provide protection to the trust fund from unreasonable cost escalation and project delays. It places additional emphasis on the need to produce more reliable

project cost estimates in the underlying decision document, which would allow for effective management of projects within the identified cost estimates and schedules.

To date, the plan is supported by more than 200 industry stakeholders including national, state, regional, and local organizations and companies. They include the U.S. Chamber of Commerce, National Association of Manufacturers, Transportation Research Board / Marine Board, American Land Conservancy, National Audubon Society, National Corn Growers Association, National Grain and Feed Association, Steel Manufacturers Association, National Mining Association, and National Council of Farm Cooperatives.

To bring vital navigation projects online and completed in an efficient way, positive change must start now. Our inland waterways are crucial to the entire maritime industry, our nation's economy, and especially to those who depend on those inland waterways to transport goods efficiently and in the most environmentally friendly way possible.

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The Inland Waterways Fuel Tax

The Inland Waterways Fuel Tax was established to support inland waterway infrastructure development and rehabilitation. Commercial users are required to pay this tax on fuel consumed during inland waterway transportation. Revenues from the tax are deposited in the Inland Waterways Trust Fund and fund 50 percent of the cost of inland navigation projects each year as authorized. The amount of tax paid by commercial users is \$.20 per gallon of fuel, generating approximately \$85 million in contributions annually to the trust fund.

Reflecting the concept of “No Taxation Without Representation,” the Water Resources Development Act of 1986 (Public Law 99-662) established the Inland Waterways Users Board, a federal advisory committee, to give commercial users a strong voice in the investment decision-making they were supporting with their cost-sharing tax payments. The board’s principal responsibility is to recommend the prioritization of new and replacement inland navigation construction and major rehabilitation projects to Congress, the Secretary of the Army, and the U.S. Army Corps of Engineers.



The Fuel-Taxed Inland and Intracoastal Waterways

1. **Alabama-Coosa Rivers:** From junction with the Tombigbee River at river mile (RM) 0 to junction with Coosa River at RM 314.

2. **Allegheny River:** From confluence with the Monongahela River to form the Ohio River at RM 0 to the head of the existing project at East Brady, Penn., RM 72.

3. **Apalachicola-Chattahoochee and Flint Rivers:** Apalachicola River from mouth at Apalachicola Bay (intersection with the Gulf Intracoastal Waterway) RM 0 to junction with Chattahoochee and Flint Rivers at RM 107.8. Chattahoochee River from junction with Apalachicola and Flint Rivers at RM 0 to Columbus, Ga., at RM 155 and Flint River, from junction with Apalachicola and Chattahoochee Rivers at RM 0 to Bainbridge, Ga., at RM 28.

4. **Arkansas River (McClellan-Kerr Arkansas River Navigation System):** From junction with Mississippi River at RM 0 to Port of Catoosa, Okla., at RM 448.2.

5. **Atchafalaya River:** From RM 0 at its intersection with the Gulf Intracoastal Waterway at Morgan City, La., upstream to junction with Red River at RM 116.8.

6. **Atlantic Intracoastal Waterway:** Two inland waterway routes approximately paralleling the Atlantic coast between Norfolk, Va., and Miami, Fla., for 1,192 miles via both the Albemarle and Chesapeake Canal and Great Dismal Swamp Canal routes.

7. **Black Warrior-Tombigbee-Mobile Rivers:** Black Warrior River System from RM 2.9, Mobile River (at Chickasaw Creek) to confluence with Tombigbee River at RM 45. Tombigbee River (to

Demopolis at RM 215.4) to port of Birmingham, RMs 374-411 and upstream to head of navigation on Mulberry Fork (RM 429.6), Locust Fork (RM 407.8), and Sipsey Fork (RM 430.4).

8. **Columbia River (Columbia-Snake Rivers Inland Waterways):** From the Dalles at RM 191.5 to Pasco, Wash. (McNary Pool), at RM 330, Snake River from RM 0 at the mouth to RM 231.5 at Johnson Bar Landing, Idaho 14.

9. **Cumberland River:** Junction with Ohio River at RM 0 to head of navigation, upstream to Carthage, Tenn., at RM 313.5.

10. **Green and Barren Rivers:** Green River from junction with the Ohio River at RM 0 to head of navigation at RM 149.1.

11. **Gulf Intracoastal Waterway:** From St. Mark’s River, Fla., to Brownsville, Texas, 1,134.5 miles.

12. **Illinois Waterway (Calumet-Sag Channel):** From the junction of the Illinois River with the Mississippi River RM 0 to Chicago Harbor at Lake Michigan, approximately RM 350.

13. **Kanawha River:** From junction with Ohio River at RM 0 to RM 90.6 at Deepwater, W.V.

14. **Kaskaskia River:** From junction with Mississippi River at RM 0 to RM 36.2 at Fayetteville, Ill.

15. **Kentucky River:** From junction with Ohio River at RM 0 to confluence of Middle and North Forks at RM 258.6.

16. **Lower Mississippi River:** From Baton Rouge, La., RM 233.9 to Cairo, Ill., RM 953.8.

Inland Waterway System



17. **Upper Mississippi River:** From Cairo, Ill., RM 953.8 to Minneapolis, Minn., RM 1,811.4.

18. **Missouri River:** From junction with Mississippi River at RM 0 to Sioux City, Iowa, at RM 734.8.

19. **Monongahela River:** From junction with Allegheny River to form the Ohio River at RM 0 to junction of the Tygart and West Fork Rivers, Fairmont, W.V., at RM 128.7.

20. **Ohio River:** From junction with the Mississippi River at RM 0 to junction of the Allegheny and Monongahela Rivers at Pittsburgh, Penn., at RM 981.

21. **Ouachita-Black Rivers:** From the mouth of the Black River at its junction with the Red River at RM 0 to RM 351 at Camden, Ark.

22. **Pearl River:** From junction of West Pearl River with the Rigolets at RM 0 to Bogalusa, La., RM 58.

23. **Red River:** From RM 0 to the mouth of Cypress Bayou at RM 236.

24. **Tennessee River:** From junction with Ohio River at RM 0 to confluence with Holstein and French Rivers at RM 652.15.

25. **White River:** From RM 9.8 to RM 255 at Newport, Ark.

26. **Willamette River:** From RM 21 upstream of Portland, Ore., to Harrisburg, Ore., at RM 194.

27. **Tennessee-Tombigbee Waterway:** From its confluence with the Tennessee River to the Warrior River at Demopolis, Tenn.

The Inland Waterways Capital Development Plan proposal is the right direction for maintaining America's competitive edge in the world. We board members urge Congress to support this important initiative to keep America—and its goods—moving!

About the author:

Mr. Stephen D. Little is president and chairman of the board of Crouse Corporation. Prior to joining Crouse, Mr. Little was counsel on the U.S. House of Representatives Merchant Marine and Fisheries Committee for five years. A member of the Inland Waterways Users Board since 2007, he currently serves as chairman. He also serves on the Board of Directors of Waterways Council, Inc., and is active in The American Waterways Operators.

Endnotes:

¹ U.S. Army Corps of Engineers Navigation Planning Center.

² Inland Waterways Users Board Annual Report to the Secretary of the Army and the United States Congress, May 2008.

For more INFORMATION:

The full plan along with the complete list of supporters can be found at:

www.waterwayscouncil.org

