



A catamaran barge transporting a shell for the tainter gate dam of the Olmsted Locks and Dam project in 2012.

Corps of Engineers/Mark Wise

Inland advocates renew push for lock and dam funding

With the White House and lawmakers talking about potentially \$2 trillion in new infrastructure spending, barge operators and users of the inland waterways are urging Congress to adopt a new cost-sharing formula that would make more money available for lock and dam construction.

The Inland Waterways Trust Fund, which pays for new lock and dam construction, is currently financed through a 50-50 match between diesel tax revenues paid by the inland barge industry, and funds from the U.S. Treasury. Money is then dispersed to priority construction projects along the inland river system managed by the Corps of Engineers.

In 2014, through the Water Resources Reform and Development Act, that formula was revised to a temporary 15% contribution from industry and 85% from federal funds. The goal was to speed completion of the Olmsted

Locks and Dam on the Ohio River, which was greatly over budget and behind schedule largely due to funding lapses from Congress. At the same time, the barge industry agreed to a 45% increase in the diesel fuel tax to further boost the IWTF.

"This policy change led to significant progress," said Peter Stephaich, chairman and CEO, **Campbell Transportation**, Houston, Pa., and chair of the board of directors of the **Waterways Council Inc.**, a Washington-based waterways advocacy group funded by the barge industry.

Olmsted opened last August, he said, and construction has resumed on three other priority navigation projects along the Lower Monongahela River in Pennsylvania, the Kentucky Lock and the Chickamauga Lock in Tennessee. In addition, a major rehabilitation of the LaGrange Lock on the Illinois Waterways was started.

NEWS BITTS

COURT RULING PAUSES TRUMP OFFSHORE LEASING PLANS

Stung by a federal court decision in Alaska last month, Trump administration officials are putting a hold on ambitious plans to greatly expand offshore oil and gas leasing.

In an interview with the *Wall Street Journal* on April 25, recently confirmed Secretary of the Interior David Bernhardt said new leasing plans for the East and West coasts and Alaska will likely be delayed while a March 29 ruling by U.S. District Court Judge Sharon Gleason winds its way through the appeals process.

Sitting in Anchorage, Alaska, Gleason ruled that former President Obama's 2015 and 2016 withdrawals of offshore lands from leasing consideration could only be revoked by an act of Congress.

Critics including Sen. Lisa Murkowski, R-Alaska, argue Gleason erred in concluding that President Trump does not have constitutional authority to reinstate lease areas, and urged the administration to pursue appeals up to the U.S. Supreme Court if necessary.

"By the time the court rules, that may be discombobulating to our plan," Bernhardt told the *Wall Street Journal*.

The pause was not unanticipated, said Randall Luthi, president of the National Offshore Industries Association.

NOIA wants Interior to still evaluate the option of moving ahead with a proposed plan. "A hard stop negates months of environmental and economic analysis that could be used to move the plan forward," said Luthi.

East Coast drilling opponents welcomed news of a delay.

"If a new five-year plan is being delayed, so should any permits for seismic airgun blasting," said Frank Knapp Jr., president and CEO of the South Carolina Small Business Chamber of Commerce.

— Kirk Moore

But now that Olmsted is finished, the funding formula will return to its original 50-50 split, and this has barge operators and their customers worried that progress toward modernization of the aging inland waterways system will again slow down.

Speaking April 10 before the House Transportation and Infrastructure Committee hearing, Stephaich urged Congress to adopt the same 25%-75% cost-share model that is now used for construction funding for deep-draft ports.

“With Olmsted soon to be in the rear-view mirror, and the Lower Monongahela project expected to be funded to completion this fiscal year in the fiscal 2020 appropriations bill, it is time to start looking toward the next round of inland waterways modernization investments,” said Stephaich, whose company operates 50 towboats and over 1,100 barges along the Ohio River.

NEWS BITTS

MARAD AWARDS \$3.2 MILLION FOR LOUISIANA CONTAINER ON BARGE SERVICE

The Maritime Administration awarded the ports of Baton Rouge, La., and New Orleans a \$3.2 million Marine Highway Program grant for container on barge (COB) service between the Louisiana ports.

The grant will support the ports' existing container on barge service, allowing them to purchase vessels that will increase the viability of the service. As Louisiana's chemical industry continues to grow, the demand for more inland transportation has increased. The barges are essential to increasing the capacity of the shuttle, intermodal efficiency, and reducing costs.

The existing container on barge service currently moves approximately 16,800 FEUs (40' equivalent units) between Memphis, Tenn., Baton Rouge and New Orleans. — Ken Hocke

He said there are currently 15 other high priority projects awaiting construction. Without a policy change, only about \$230 million a year would be available for inland modernization, and at this level many of the priority projects would not begin construction in the next 20 years. He called this “an unacceptable situation.”

With a formula change, Stephaich

said the inland navigation program would be able to operate at or above \$400 million a year, similar to the level under Olmsted.

“This would accelerate project delivery on the portfolio of critical inland waterways projects,” he said.

At the end of April, Democratic leaders in Congress sat down with President Trump for a discussion of in-



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frastructure needs that both sides called highly productive. The administration had not yet taken a position on how fuel taxes may fit in, and more talks were planned for late May.

— Pamela Glass

U.S. Coast Guard awards \$746 million icebreaker contract to VT Halter Marine

The Coast Guard's long drive to recapitalize its icebreaking capability took a major step forward with the award in April of a \$746 million contract to **VT Halter Marine Inc.**, Pascagoula, Miss., for the first polar security cutter (PSC).

The full program could be worth \$1.9 billion with the exercise of options to build two additional PSCs, replacements for the 399'x83'6"x31' *Polar*



The Coast Guard icebreaker *Healy* conducting joint operations with the Canadian icebreaker *Louis St. Laurent* in 2009.

NOAA

Star, the last of two heavy icebreakers built in the mid-1970s. The initial contract is for engineering and detail design of the PSC class as well as procurement of long lead-time materials and construction of the first ship.

PSCs will support a wide range of Coast Guard missions including search

and rescue, maritime law enforcement, environmental response, and national defense missions. VT Halter reportedly beat out two other bidders for the contract — **Bollinger Shipyards** and a partnership between **Philly Shipyards** and **Fincantieri Marinette Marine**.

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