



(Cost-Share) Change is Good



The Inland Waterways Trust Fund paid approximately 15% of the remaining balance of the Olmsted Locks and Dam project.

With a comprehensive infrastructure initiative on life support, Congress is looking ahead to 2020 when both a highway-transit program reauthorization and a Water Resources Development Act (WRDA) are a priority. WRDA is the policy authorization bill for water resources and the inland waterways that has, thankfully, remained on a biennial schedule since 2014.

In fact, the Water Resources Reform & Development Act (WRRDA) of 2014 was a watershed event for Waterways Council Inc. (WCI) and the inland waterways. That bill, signed into law in June 2014, changed the cost-sharing formula for the remaining balance of the Olmsted Locks and Dam project on the Ohio River to 85% General Revenues and 15% Inland Waterways Trust Fund (IWTF), from the current 50% General Revenues and 50% IWTF formula. This important action freed up approximately \$105 million per year to fund other IWTF priority projects on the inland system, and ultimately enabled Olmsted to open four years ahead of schedule (in August 2018) at \$330 million under its post-authorized amount. It also allowed for over \$600 million in annual national economic benefits to be accrued early from that project. This one simple policy provision allowed a more streamlined approach to modernizing the inland waterways transportation system.

And there was another important, similar policy change in the FY2019 Minibus spending package that combined appropriations bills for the Legislative Branch,

Military Construction and Veteran Affairs, and Energy & Water Development that funds the U.S. Army Corps of Engineers. A bipartisan Senate floor amendment offered by Sens. John Thune (R-S.D.), Richard Durbin (D-Ill.), Amy Klobuchar (D-Minn.), Mike Rounds (R-S.D.), Charles Grassley (R-Iowa), Lamar Alexander (R-Tenn.) and Joni Ernst (R-Iowa) was included in the final FY2019 package that changed, just for one

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year, the cost-sharing formula for the Chickamauga Lock on the Tennessee River to 85% General Revenues and 15% from the IWTF (from the 50%-50% formula). Again, this action allows the Chickamauga to gain construction ground for completion ahead of schedule, now estimated to be FY2023 vs. the previous FY2028.

So, as we look ahead to WRDA 2020, WCI and its members are urging conforming maritime cost-sharing as a way to efficiently complete a portfolio of more

than 15 high priority inland navigation projects that are either under construction or awaiting construction. We urge consideration of a cost-share formula change to 75% General Revenues and 25% IWTF (from the current 50% and 50% formula). This same funding formula was approved for deep-draft ports in WRDA 2016 to expedite critical channel maintenance and dredging to be ready to receive post-Panamax vessels calling on U.S. ports. Making this change would ensure that funding remains at or above a \$400 million-level that was achieved as a result of the cost-share change at the Olmsted project, and accelerate navigation project delivery. At the current funding rate and without a cost-share change, many of these priority projects will not even begin construction within the next 20 years. Our nation can no longer afford to wait decades to recapitalize its critical infrastructure.

In July, Inland Waterways Users Board Chairman Rob Innis of LaFargeHolcim, and a member of WCI's board of directors and Executive Committee, testified to this policy recommendation on behalf of WCI at a hearing of the House Transportation & Infrastructure Committee's Subcommittee on Water Resources and Environment. The hearing addressed "Water Resources Development Acts: Status of Implementation and Assessing Future Needs." "This important change will help advance our nation's competitiveness and keep America leading at the top," Innis said.

The year 2020 holds promise for expediting the modernization of our inland waterways system, and a chance for Congress to do the right thing for lock and dam infrastructure.

WRDA bills authorize water resources studies and projects and set policies for navigation, flood control, hydropower, recreation, water supply and emergency management for the Corps of Engineers. This legislation is usually passed on a biennial basis and addresses county interests related to ports, inland waterways, levees, dams, wetlands, watersheds and coastal restoration.



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