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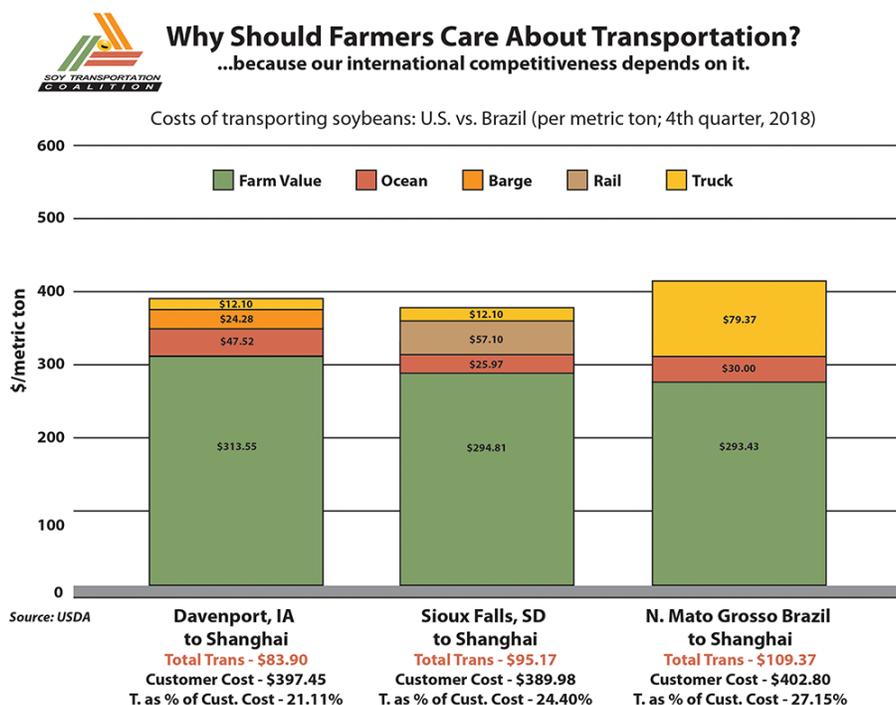
The Honorable Grace Napolitano
 Chair
 Water Resources and Environment
 Subcommittee
 Transportation & Infrastructure Committee
 2251 Rayburn House Office Building
 Washington, DC 20515

The Honorable Bruce Westerman
 Ranking Member
 Water Resources and Environment
 Subcommittee
 Transportation & Infrastructure Committee
 2251 Rayburn House Office Building
 Washington, DC 20515

Dear Chairwoman Napolitano and Ranking Member Westerman,

The American Soybean Association (ASA) appreciates your efforts to review implementation of the 2018 Water Resources Development Act (WRDA) and to begin consideration of WRDA reauthorization in 2020. The ASA took great interest in the hearing held by the subcommittee on July 10th titled, “Water Resources Development Acts: Status of Implementation and Assessing Future Needs”. The ASA would like to provide the subcommittee with our perspective and priorities and urge that they be reflected in the 2020 WRDA reauthorization.

Transportation efficiency, and inland waterways transportation specifically, is vital for the global competitiveness of U.S. soybean farmers. Approximately 60% of the U.S. soybean crop is exported. Our global market competitors in Brazil and Argentina enjoy lower costs of production than U.S. farmers, but we have historically had lower transportation costs. The graphic below illustrates the important role that transportation costs play in the global competitiveness of U.S. soybeans.



However, we are in danger of losing our competitiveness if we do not invest in our infrastructure, especially inland waterways infrastructure. The infrastructure and maintenance work to enable navigation on our inland waterways is essential. Inland waterways infrastructure is the most cost-efficient way to move bulk commodities. As the graphic at the end of this document shows, one 15 barge tow carries the freight of 216 railroad cars and 1,050 tractor-trailers.

For these reasons, upgrading inland waterways infrastructure is a priority for the ASA. Specifically, the ASA seeks to accelerate the timeframe for completion of long-authorized Inland Waterways Trust Fund (IWTF) projects to modernize locks and dams on the Upper Mississippi and Illinois River systems. To accomplish this, the ASA supports shifting the cost-share for the IWTF projects from the current 50-50 ratio to an 85-15 or 75-25 ratio.

Significant progress has been made since 2014 compared to the stagnation, dysfunction, and lack of progress that existed for many years prior. The policy changes made in the 2014 WRDA, the increase in the barge fuel fee, and the subsequent annual appropriations levels have helped move up the timeframe for completion of authorized IWTF projects. However, we still have a long way to go. The IWTF projects are investments that will have many long-term benefits for the country. We need to further accelerate completion of these projects and get the authorized and long overdue locks and dams on the Upper Mississippi and Illinois River systems completed in the next decade.

These locks were built in the 1930's and have surpassed their fifty-year life expectancy. As they have aged, the maintenance needs and inefficiencies have increased, which adds costs to U.S. farmers, businesses, and consumers. We are also at great risk of one of the ageing structures having a failure that forces a closure to commerce on the river system with significant detrimental economic impacts.

The priority IWTF projects for the ASA include Upper Mississippi River Locks and Dams 20, 21, 22, 24, and 25 and LaGrange and Peoria Locks on the Illinois River. There are also several major rehabilitation projects on the Illinois and Ohio Rivers that are important to agriculture.

The IWTF is a public-private partnership funded by a 29 cent per gallon barge fuel fee, which is paid by industry, including soybean farmers. The IWTF revenues are matched with funds from the general Treasury, typically with a 50-50 cost-share ratio. In recent years, Congress has changed the cost share ratio for specific projects to 85-15 or 75-25 to accelerate their funding and completion.

In the 2016 WRDA, Congress changed the cost-share model for funding construction of deep draft ports from a 50-50 cost share to a 75-25 cost share ratio. In the FY2019 Energy & Water Appropriations bill, Congress shifted the cost share for the Chickamauga Lock & Dam project to 85-15. The ASA supports shifting the cost share ratio for all IWTF projects to 85-15 or 75-25.

The currently authorized IWTF projects have a combined total estimated cost of less than \$9 billion. These are relatively modest costs compared to other infrastructure and other government spending. If constrained to a 50-50 cost share, many of the IWTF projects will not even begin construction in the next 20 years. Shifting the cost share for all IWTF projects to a 75-25 ratio would ensure the IWTF continues operating at the same funding level that has been achieved the last six years and could enable the currently authorized projects to be completed in a 10-20 year timeframe.

Thank you for your consideration of these vital issues. We look forward to working with the Water Resources and Environment Subcommittee and the full Transportation & Infrastructure Committee as you work toward the 2020 WRDA reauthorization. If we can provide any additional information or assistance, please let us know.

Sincerely,



Davie Stephens
President

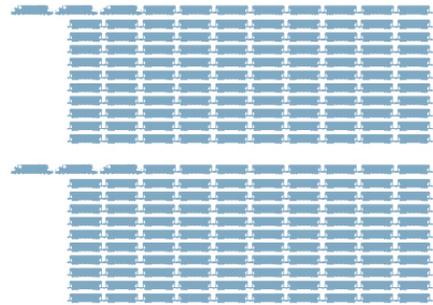
Carrying the Load

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One 15-Barge Tow



216 Rail Cars + 6 Locomotives



1,050 Large Semi Tractor-Trailers

