



## A Bad News/Good News Kind of Day



**T**he morning of February 10 seemed just like any other, but it would not remain ordinary for long. Mid-morning on February 10, the Trump Administration released its Fiscal Year 2021 (FY21) budget request that “contains information on the president’s priorities.” The FY 21 budget called for a 22% cut to the U.S. Army Corps of Engineers’ Civil Works budget to \$5.967 billion, representing a \$1.7 billion decrease from the previous fiscal year’s (FY20) level enacted by Congress.

Beyond the reduction to the Corps’ budget, perhaps most disappointing was a request of \$0 from the Inland Waterways Trust Fund (IWTF) for construction of lock projects on the inland waterways system. Last year’s FY20 administration request was \$111 million for the Lower Mon project near Pittsburgh, Pa., of which \$55.5 million came from the IWTF that is funded through a diesel fuel tax on commercial operators, with the other half provided by General Revenues.

And while the FY20 administration budget request was just \$111 million, Congress appropriated more than three times that amount—\$335 million—for four IWTF-funded projects in the FY20 Energy & Water Development (E&WD) appropriations bill. This level enabled efficient funding for four projects currently under construction: Kentucky Lock (Ohio River), Chickamauga Lock (Tennessee River), and funding to completion for the Lower Mon Project (Monongahela River) and Olmsted Locks and Dam (Ohio River). This means that if the president’s FY21 budget request of \$0 for construction of locks were to be accepted, those four construction projects would shut down, workers would be

sent home, the cost to eventually restart the projects would be significant, and the timeline to complete the projects would grow.

Despite having no plans to spend the money that is currently in the IWTF for construction of these four projects, the FY21 budget also proposed to levy an additional user fee to supplement the existing revenue from the \$0.29-per-gallon diesel fuel tax paid by commercial operators, plus 10% of the cost of Operations and Maintenance (O&M), which has always been a fully Federal responsibility. The administration noted this new fee would raise \$1.8 billion over a decade.

The FY21 budget also proposed \$1.996 billion for Operations & Maintenance, \$210 million for the Mississippi Rivers & Tributaries (MR&T) account, and \$102.6 million within the Investigations account (with \$3.292 million going toward Pre-Construction Engineering and Design (PED) for the Three Rivers Project in Arkansas). Within the Construction account, the Mississippi River Ship Channel, Gulf to Baton Rouge, La., was proposed to receive \$45.7 million. The FY21 \$1.015 billion proposed in the FY21 budget is derived from the Harbor Maintenance Trust Fund.

While administration budgets are generally dismissed by members of Congress as mere pieces of papers simply containing ideas, the FY21 request of \$0 for lock construction was a bit of a gut-punch for WCI and its members, who advocate for waterways modernization not waterways mortality.

In contrast, on the very same day as the publication of the FY21 budget, the U.S. Army Corps of Engineers released its FY20 work plan that allocates funds provided in the FY20

E&WD Appropriations bill for its Civil Works mission, and the news was extremely positive.

FY20 funding from the Construction account was \$336.76 million—representing full and efficient funding from the IWTF -- was allocated to the Olmsted Locks and Dam project (\$63 million) to complete the project; the Lower Mon project (\$111 million) to complete the project; the Chickamauga Lock project (\$101.7 million); and the Kentucky Lock project (\$61.06 million).

In other good news, \$85.35 million was slated to initiate the deepening of the Mississippi River Ship Channel to 50 feet to facilitate Post-Panamax ships in the Gulf.

The Corps’ Investigations account will fund \$6.05 million toward continuing PED for the Three Rivers Project in Arkansas, and \$7.7 million to continue PED for the Upper Ohio River Navigation Study in Pennsylvania.

A particular bright spot was the allocation of \$4.5 million for the Navigation and Ecosystem Sustainability Program (NESP) on the Upper Mississippi River and Illinois Waterway System to continue PED (\$3 million was provided for navigation and \$1.5 million for the environmental restoration component of NESP). This is the first allocation of PED funds for NESP since 2012. NESP is a unique program with a dual function to ensure efficient navigation infrastructure and to protect the eco-habitat of the Upper Mississippi River System (UMRS).

Recognizing the national significance of the UMRS, Congress authorized NESP in the Water Resources and Development Act of 2007 to give the Corps of Engineers authority to integrate management of the river’s navigation infrastructure with ecosystem improvements. NESP will modernize seven existing facilities with new locks and authorizes a number of smaller scale projects to improve the system’s capacity. This program will create new construction jobs, support workers at manufacturing facilities, ports, terminals and grain elevators.

The FY20 Work plan also provided strong funding for the inland waterways system’s many dredging needs, especially helpful after recent flooding and continued high water this year.



**DEB CALHOUN**  
Interim President/CEO,  
Waterways Council Inc.