



December 22, 2020

## Grassley, ag, transport groups praise WRDA passage

The fiscal year omnibus appropriations bill that Congress passed Monday included a reauthorization of the Water Resources Development Act, which funds the Army Corps of Engineers civil works program that builds and maintains the ports and inland waterways that are so important to the agriculture industry.

Sen. Chuck Grassley, R-Iowa, praised the passage, saying, “It’s important that Congress pass a Water Resources Development Act every two years. This legislation will help communities move forward with projects critical for flood control, navigation, ports, locks and dams and other water resources infrastructure. Iowans depend on these reforms to help reduce the repetitive and destructive flooding we see so often and improve the navigability on our rivers.”

Bobby Frederick, National Grain and Feed Association vice president of legislative affairs and public policy, said, “Since 2014, each Congress has passed a WRDA into law, and NGFA has viewed each bill as an opportunity to enhance U.S. inland waterways and port infrastructure. WRDA 2020 ensures continued investment in U.S. waterways infrastructure, helps bring U.S. waterways infrastructure into the 21st century and will help maintain American agriculture’s competitive transportation advantage against other countries. NGFA commends House and Senate lawmakers for bringing this bipartisan legislation to the point of enactment.



*Bobby Frederick*

“Most significantly,” Frederick said, “the WRDA 2020 bill amends the cost-share formula for inland waterway projects for the next decade to provide that 65% of the funding be derived from taxpayer revenues and 35% from barge diesel fuel tax user fees deposited in the Inland Waterway Trust Fund. Currently, the funding formula is split 50:50. The trust fund consists of revenues generated by barge fuel taxes assessed against commercial users of the inland waterways.

“It is estimated that the change in the funding formula will result in an additional \$100 million annually being available for lock-and-dam renovation, including long-overdue rehabilitation of the locks and dams on the Upper Mississippi and Illinois Waterway.

“It is well known that the majority of these locks and dams have outlived their 50-year design life and changing the cost-share is one prudent way to address this problem and bring U.S. waterways infrastructure into the 21st century more quickly,” Frederick said.

Frederick added, “The bill also would provide access to the existing balance of funds within the Harbor Maintenance Trust Fund (HMTF) over a 10-year period to facilitate port-dredging activities. Currently, around \$10 billion has been collected and deposited into the fund, but has gone unspent for its intended purpose. Allowing increased use of the HMTF corrects ‘the fiscal disservice’ to those that pay the 0.125% ad valorem tax based upon the value of cargo imports, and would help restore the United States’ comparative transportation advantage.

Waterways Council Inc. President and CEO Tracy Zea said, “The package included WCI’s top priority to adjust the cost-share for construction and major rehabilitation of inland waterways projects from 50% Inland Waterways Trust Fund (IWTF) and 50% General Revenues to 35% IWTF and 65% General Revenues for Fiscal Year (FY) 2021 through FY 2031. Projects whose construction starts between FY 2021 and FY 2031 will operate under the adjusted 35%/65% cost-share for the duration.

“Particularly in a difficult COVID-19 environment, the passage of WRDA is a significant achievement for efficient modernization of the inland waterways system, potentially providing more than \$1 billion in additional construction funds over 10 years that should help significantly reduce the backlog of authorized projects.”



*Tracy Zea*

Corn Refiners Association (CRA) President and CEO John Bode, a WCI member, said, “CRA is particularly pleased the legislation will provide more than \$1 billion in additional construction funds over 10 years to our critical inland waterways system. WRDA is a signature achievement of tremendous importance to maintaining global competitiveness of American agriculture exports and the millions of American jobs those exports support.”



*John Bode*

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