



An Optimistic Outlook on U.S. Inland Waterways

The date to vote on the Senate-passed infrastructure bill passed without a vote and, at press time, Congress continues to negotiate on infrastructure.



Hurricane Ida was an unwelcome visitor to the Gulf Coast in late August, disrupting people, power, and inland waterways assets. While there is still much that needs to be sorted out from the storm and the impact it had on the waterways, Congress has an opportunity in the near future to pass an infrastructure bill that will help strengthen the inland waterways for decades to come.

At press time in September, Waterways Council Inc. is feeling confident that the long-debated and much anticipated bi-partisan infrastructure bill will be passed by Congress and signed into law sometime in 2021. The twists and turns of this package have felt at times like showing up at a theme park for a family vacation only to find the park closed, to white-knuckled riding the tallest coaster without seat belts. But with so much at stake for the nation, we hope the last hill has been climbed, the wild ride is about to end, and it was worth the wait.

In the most recent twist at this writing, House Speaker Nancy Pelosi reached a deal in late August with moderate Democrats in Congress to advance the rule for a \$3.5 trillion budget framework that also set a date to vote on the Senate-passed infrastructure bill (the Infrastructure Investment and Jobs Act, H.R. 3684) on or by September 27. The agreement on the date is a non-binding deal that gave House leadership some flexibility

if they do not have the votes for infrastructure by that September date. Before the deal was reached, moderates had threatened to not support the rule that allowed budget reconciliation to advance unless the infrastructure bill was voted on first.

There was significant action in the Senate, however, and on August 10, by a vote of 69 to 30, it passed the infrastructure bill, which included \$2.5 billion of direct federal funding for the construction of inland waterways projects. The Corps is required to develop and submit a project-specific workplan to Congress no later than 60 days after enactment of the infrastructure bill is signed into law and every month until all monies provided are allocated.

Combined with full annual appropriations of inland waterways construction, this additional funding would equate to nearly \$4 billion over the next five years for inland waterways construction and major rehabilitation projects.

Additionally, \$4 billion was provided for the Corps' Operations and Maintenance account for all business line items within the Civil Works mission. Inland waterways projects and dredging are eligible to compete for funding to be allocated in a work plan.

Fiscal Year 2022 (FY22) appropriations have been strong thus far, and in early August, the Senate Appropriations Committee passed

out of Committee the FY22 Energy & Water Development (E&WD) Appropriations bill (S. 2605) that funds the Corps' Civil Works Program. With overall FY22 funding for the Corps at \$8.96 billion, this was an increase of \$1.165 billion above the FY21 enacted level and \$2.168 billion above the Administration's budget request. The full House of Representatives-passed FY22 E&WD appropriations bill funded the Corps at \$8.66 billion.

This action represents the eighth consecutive year that use of estimated annual revenues from the Inland Waterways Trust Fund (IWTF) were approved by Senate appropriators, a key WCI priority. The Senate's IWTF project funding level was roughly \$200 million higher than the Administration's budget request. More than \$350 million in construction of IWTF-funded projects is provided in the Senate committee-approved bill.

The FY22 E&WD appropriations bill also approved new starts for Three Rivers channel deepening project on the McClellan-Kerr Arkansas River Navigation System (MKARNS) at \$149 million and the Navigation and Ecosystem Sustainability Program (NESP) through Congressionally Directed Spending (formerly earmarks) at \$45.1 million (this was double what the House provided). Montgomery Lock and Dam, received \$20.1 million in second-year funding.

The Corps' Operations and Maintenance (O&M) account received \$4.683 billion, up \$833.1 million above the FY21 appropriated amount and \$554 million above the Administration's FY22 budget request. Six major rehabilitation reports were funded to completion, receiving a total of \$13 million, to position those projects to become construction-eligible.

The Investigations account was funded at \$153 million, with nearly \$7 million (\$6.932 million) in Pre-Construction Engineering & Design (PED) for the Gulf Intracoastal Waterways' Brazos River Floodgates and Colorado River Locks project.

Harbor Maintenance Trust Fund (HMTF) projects will receive an estimated \$2.05 billion, the highest request to date.



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