



Opportunity ahead in WRDA 2024



The 11,000 miles of fuel-taxed navigable waterways are a crucial component of U.S. agriculture, energy, and manufacturing supply chains.

With Congress addressing many diverse and complex issues, Waterways Council Inc. (WCI) is squarely focused on the Water Resources Development Act (WRDA) 2024, the biennial bill currently being drafted in the Senate that is the legislative vehicle for policy within all water resources issues, including inland waterways. Our request for WRDA 2024 is wholly uncomplicated and straight-forward: accelerate the completion of authorized inland waterways construction projects.

WCI's message to Congress for WRDA is that all inland waterways construction and major rehabilitation projects funded by the Infrastructure Investment and Jobs Act (IIJA) remain fully at federal cost. This is consistent with Congressional intent when IIJA was created. Congress determined IIJA projects would be funded to completion by federal investment to achieve an accelerated return rate. This allows the Nation to realize economic return more quickly, reduce the supply chain's environmental footprint, address uncertainty in global agriculture and energy markets, and remain consistent with the intent of Congress.

To provide some background, the 11,000 miles of fuel-taxed navigable waterways are a crucial component of U.S. agriculture, energy, and manufacturing supply chains. Despite facilitating the transport of one-third of the nation's Gross Domestic Product, the system relies on a network of lock and dam infrastructure that was constructed in the early 20th century, far exceeding its original 50-year design life. Deterioration has made these projects susceptible to unreliability, including failure which results in unscheduled closures or stoppages. These delays increase congestion and the cost of

transporting waterborne commodities, compounding the effects of inflation on consumers.

Necessary capital improvements to the inland waterways transportation network are cost-shared through a 29-cent-per-gallon fuel tax imposed on commercial users throughout the system, and these taxes are deposited into the Inland Waterways Trust Fund (IWTF) to help recapitalize the system. The current cost-share requirement is 35% from the IWTF, with the remaining 65% from General Treasury funds, both appropriated to the Corps of Engineers in an Energy and Water Development appropriations bill. In providing IIJA funds to the Corps, Congress waived the cost-share requirement for inland waterways construction and major rehabilitation projects, recognizing the importance of accelerating the pace to complete these projects, to strengthen America's supply chain and stay competitive in global markets. This cost-share waiver also accelerates the significant economic and environmental benefits these projects provide when completed.

IIJA funded seven inland waterways construction projects, and at the time, considered them funded to completion. But, due to significant cost overruns, IIJA funds alone will be unable to complete any of these projects. Unless modified in WRDA 2024, this will jeopardize and needlessly delay critical ongoing and planned capital improvements across the antiquated inland waterways transportation system, further delaying national economic and environmental benefits.

Capacity reductions on the nation's inland waterways would result in approximately 75% of freight being diverted to tractor trailers or rail. Since the capacity of just one standard

river tow (15 barges) equals 1,050 trucks or 216 rail cars and six locomotives, the Nation would face significant added congestion through our cities, towns, and neighborhoods. Moving football field-sized cargoes across hundreds of miles via the inland waterways burns less fuel than other modes of surface transportation, providing 675 ton-miles/gallon compared to 472 ton-miles/gallon for rail and 151 ton-miles/gallon for tractor trailers.

Globally, the ongoing conflict between Russia and Ukraine has created uncertainty in world markets, especially in the agriculture and energy sectors. As the war continues, impacts to Ukrainian fields, farm equipment, warehouses, markets, roads, bridges, and ports continue. American farmers are poised to fill the void left by Ukraine—the breadbasket of Europe—by producing more goods, but without efficient funding to modernize inland waterways, the transportation system for delivery won't be able to keep pace with U.S. export potential.

As WCI celebrates its 20th anniversary this year, our success has been anchored on one theme: to help modernize and maintain the inland waterways infrastructure of a system that provides well told benefits to our Nation. WRDA 2024 is an opportunity to advance this goal and to achieve more resiliency in this critically important transportation option that keeps America strong and competitive.



TRACY R. ZEA
President/CEO,
Waterways Council Inc.