



## **PRESS RELEASE**

### **FOR IMMEDIATE RELEASE**

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### **PRESIDENT'S FY2019 BUDGET REQUEST CUTS CORPS' FUNDING BY MORE THAN 22 PERCENT**

Washington, DC – The FY2019 budget request to Congress released by President Trump today proposes to cut more than 22% of the U.S. Army Corps of Engineers' Civil Works funding, at \$4.78 billion, down from the FY2018 Senate Appropriations Committee's funding level of \$6.16 billion.

For the Corps' Construction account, \$1.02 billion was requested, reduced from the FY2018 Senate Appropriations Committee's funding level of \$1.7 billion.

The FY2019 budget requests \$5.25 million of the \$114 million collected in 2017 from the Inland Waterways Trust Fund (IWTF) with only the Olmsted project to be funded (at \$35 million to completion). The budget estimates that the IWTF will collect \$104 million in FY2019. The Balance in the IWTF is estimated to grow to \$340 million, if this budget is followed. Work at the other three priority navigation projects under construction – Lower Mon, Kentucky Lock and Chickamauga Lock – would cease and workers would be laid off if the budget is accepted.

The FY2019 budget proposes a New User Fee on Inland Waterways. The proposal would establish a vessel user fee to supplement existing revenue from the \$0.29 per-gallon diesel fuel tax to help finance the users' share of anticipated capital investment projects, as well as 10% percent of the cost of Operations and Maintenance (O&M) – historically a Federal responsibility – activities on the inland waterways. This proposal would raise approximately \$1.7 billion over a 10-year window.

The FY2019 budget proposes \$2.07 billion for O&M, a cut from the FY2018 Senate Appropriations Committee funding level of \$3.52 billion (\$760 million would go toward inland waterways).

Also, the President's budget request for FY2019 would reduce, by half-a-billion dollars, the Harbor Maintenance Tax rate, from \$1.6 billion collected into the Harbor Maintenance Trust Fund currently to around \$1.1 billion "to better align estimated annual receipts from the tax with recent appropriation levels for eligible expenditures from the Harbor Maintenance Trust Fund. Reducing this tax would provide greater flexibility for individual ports to establish appropriate fee structures for services they

provide, in order to help finance their capital and operating expenses on their own,” according to the budget documents.

WCI President & CEO Mike Toohey said, “this dour FY2019 budget represents a clear disconnect from the encouraging rhetoric made by President Trump about the inland waterways in the State of Union address and at his historic visit to the Ohio River in June 2017,” he said. “If accepted, this budget, like the infrastructure proposal issued earlier today, hamstring America’s ability to compete in the world,” he continued.

*Waterways Council, Inc. is the national public policy organization advocating for a modern and well-maintained national system of ports and inland waterways. The group is supported by waterways carriers, shippers, port authorities, agriculture, labor and conservation organizations, shipping associations and waterways advocacy groups from all regions of the country. Visit [www.waterwayscouncil.org](http://www.waterwayscouncil.org).*