



## **PRESS RELEASE**

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### **WCI CHAIRMAN PETER STEPHAICH TESTIFIES BEFORE HOUSE WATER RESOURCES & ENVIRONMENT SUBCOMMITTEE ON “THE COST OF DOING NOTHING: WHY FULL UTILIZATION OF THE HARBOR MAINTENANCE TRUST FUND AND INVESTMENT IN OUR NATION’S WATERWAYS MATTER”**

Washington, DC – Peter Stephaich, Waterways Council, Inc. (WCI) Chairman of the Board, and Chairman of Campbell Transportation Company in Pittsburgh, PA, testified today before the House Transportation & Infrastructure Committee’s Water Resources and Environment Subcommittee on “The Cost of Doing Nothing: Why Full Utilization of the Harbor Maintenance Trust Fund and Investment in our Nation’s Waterways Matter.” In his testimony on behalf of WCI, Mr. Stephaich addressed the importance of the inland waterways transportation system, and recommended a policy improvement to advance modernization of the Nation’s critically important inland navigation infrastructure.

Mr. Stephaich noted that even before the United States Constitution was adopted, the inland waterways system was recognized as a priceless natural asset and a matter of fundamental federal responsibility and stewardship. Congress has consistently provided direction to the Executive Branch on how to properly use and protect our waterways for the benefit of the entire country.

Of the 12,000 miles of navigable waterways, nearly 11,000 miles comprise the fuel-taxed portion of the system, on which commercial operators pay a diesel fuel tax deposited into the dedicated Inland Waterway Trust Fund (IWTF). This tax pays for up to half of the cost of new construction and major rehabilitation of the fuel-taxed waterways’ infrastructure, principally locks and dams, but also deepening of channels. Commercial users successfully advocated to raise the fuel tax by 45% in 2015 to its current level of 29-cents-per-gallon, the highest federal fuel tax currently being paid by a transportation mode.

Beyond enabling waterborne transportation, the inland waterways system aids in flood control, enables a stable water supply for nearby communities and industries, provides hydroelectric power, offers recreation such as fishing and water sports, provides regional economic development opportunities, increases property value, and enhances national security capabilities. Unlike commercial users, none of these other beneficiaries of the inland waterways system pay a fee to support modernization of the system.

Since 1987, when IWTF revenues were first allocated to individual projects following enactment of the Water Resources and Development Act of 1986, through 2014, the IWTF supported construction completion of 29 modernization projects. Additionally, the Trust Fund is currently supporting construction of five other lock and dam modernization projects. A cost-share policy revision for Olmsted Locks and Dam (Ohio River), along with the 45% increase in the diesel fuel tax, has allowed for the IWTF to be leveraged from a less than \$200 million dollar annual program to a \$400 million dollar annual program.

That policy change from 50% Inland Waterways Trust Fund and 50% General Fund, to 15% from the Inland Waterways Trust Fund and 85% from the General Fund has led to significant progress. Olmsted opened in 2018, four years ahead of its projected operation date, at \$330 million below the project's Post Authorization Change Report. The cost-share change also allowed construction to proceed on three other priority navigation projects (Lower Monongahela 2,3,4, Kentucky Lock, and Chickamauga Lock, the latter two of which previously had project construction suspended due to a lack of funding), and initiation of major rehabilitation work on LaGrange Lock on the Illinois Waterway.

Currently, the inland waterways system has a portfolio of more than 15 other authorized high priority inland projects awaiting construction. With Olmsted's completion and no additional policy improvements, only about \$230 million a year will be available for inland waterways project modernization. At this funding level, many of these projects will not even begin construction in the next 20 years, an unacceptable situation.

Mr. Stephaich urged the Subcommittee to consider adjusting the cost-share to 25% derived from the industry-funded Inland Waterways Trust Fund and 75% from General Funds to enable the inland navigation capital program to remain operating at or above the \$400 million level to accelerate project delivery of critical inland waterways projects.

This has already been done in other water resources programs. Congress changed the cost-share model for funding construction of deep draft ports with depths of 45 to 50 feet from 50% non-federal sponsor and 50% federal government, to 25% non-federal sponsor and 75% federal government in the Water Resources Development Act of 2016 in order to improve efficiency of this important work.

Read Mr. Stephaich's testimony [here](#).

The Subcommittee hearing also featured testimony by WCI members Pine Bluff Sand and Gravel Co. ([Phyllis Harden](#)); The National Corn Growers Association ([Kevin Ross](#)); and Upper Mississippi River Basin Association ([Kirsten Wallace](#)).

*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).*