



Fiscal Funding for the Future



On March 11, Waterways Council, Inc. (WCI) reacted to the Trump Administration's release that day of an outline of its top-line Fiscal Year 2020 (FY20) budget numbers, and the next day, to the Corps of Engineers' review of its account and project-specific funding levels.

Cuts to Corps Civil Works

For the U.S. Army Corps of Engineers' Civil Works program, the FY20 budget proposes \$4.827 billion, a 31% cut from the FY19 appropriated amount of \$7.0 billion.

Inland Waterways Trust Fund (IWTF) proposed funding in FY20 is \$55.5 million, with a total of \$111 million requested for the Lower Mon Project in Pittsburgh, funding it to completion.

Congress appropriated \$329.8 million for five IWTF-funded projects in the FY19 mini-bus appropriations bill, despite the fact that in FY19, the President's request for Construction was just \$35 million for the Olmsted project.

Congress increased that \$35 million FY19 amount by 842.3%, enabling efficient funding for Lower Mon, Kentucky Lock (confluence of the Tennessee and Ohio Rivers), Chickamauga Lock (Tennessee River), and funding to completion for Olmsted Locks and Dam (Ohio River) and for major rehabilitation of LaGrange Lock (Illinois Waterway).

If the President's FY20 budget is accepted, Lower Mon would be the only IWTF project receiving FY20 funding, while Kentucky Lock and Chickamauga Lock would go unfunded and be shut down.

Per Vessel Charge

The FY20 budget again proposes a Per-Vessel Charge on the inland waterways, expected to raise \$178 million annually that would be in addition to the current diesel fuel tax commercial operators pay. The FY20 budget also seeks to have commercial operators pay for 10% of Operations & Maintenance (O&M) funding, historically



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a Federal responsibility.

The FY20 budget proposes \$3.025 billion for O&M, and \$148 million for Mississippi Rivers & Tributaries (MR&T).

Inland O&M received \$705 million in the FY20 request.

The FY20 request also included \$24.1 million for a deficiency correction at Mel Price Lock and Dam on the Mississippi River.

The Investigations account is proposed

to receive \$82 million in FY20, with \$1.5 million going toward Pre-Construction Engineering and Design for the Three Rivers Project in Arkansas.

The FY20 budget also proposes \$965 million be derived from the Harbor Maintenance Trust Fund, down from the FY19 appropriated level of \$1.55 billion.

Not Unexpected Given Past OMB Requests

This budget is not unexpected based on past Office of Management and Budget requests from any Administration, but the FY20 proposal is still very disappointing considering the President's many positive pronouncements on the importance of infrastructure investment.

Early in office, President Trump had touted that a trillion dollars would be the spending target for an infrastructure bill. In June 2017, he went to Cincinnati and stood on the banks of the Ohio River to stress the importance of the inland waterways and its lock and dam infrastructure.

This was the first time in modern memory that a President came directly to the river and referred to the waterways as "critical corridors of commerce," and an "American thoroughfare."

President Trump noted that of his Administration's \$1 trillion investment plan, \$200 billion would be direct Federal funds, leaving an \$800 billion short-fall.

The big question then — and now — is who will fund that, and how?

And even \$1 trillion dollars is less than a quarter of what is actually needed to bring the condition of U.S. infrastructure up to a level that would earn it a "B" grade, according to American Society of Civil Engineers (ASCE) estimates.

Until we get the right proposal and the optimal amount of money to fund American infrastructure, we look to Congress to restore Fiscal Year 2020 budget cuts and recapitalize critical locks and dams, a conduit to American competitiveness.

Visit www.waterwayscouncil.org



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