



Take The Infrastructure Opportunity



As I write this, the longest shut-down of the U.S. government in history continues. Dysfunction within the U.S. Congress to reach agreement to re-open shuttered Federal agencies has been frustrating for all Americans. But this partisanship, we pray, shall come to pass. And there is a bright light on the horizon for which both parties within Congress and the Administration can come together: Infrastructure.

It can be said that infrastructure is the foundation of a Nation, but investment is required to keep systems functioning today and into the future. But statistics are grim: The World Economic Forum's Global Competitiveness Report 2013–2014 assessed 148 nations and their economies, ranking the United States 15th in infrastructure and technological readiness. The Council on Foreign Relations notes that on average, Europe spends about 5 percent of its GDP on building and maintaining its infrastructure, while the United States spends just 2.4 percent, roughly the same amount for the past 30 years. McKinsey & Company researchers estimate that \$150 billion per year is required between 2017- 2030 to stay on top of U.S. infrastructure needs, with transportation requiring the largest chunk of the funding needs.

Our inland waterways locks and dams were largely constructed in the 1920s and 1930s during President Roosevelt's New Deal, some are now literally falling into the river due to age. Locks and dams require recapitalization and modernization to continue to deliver for the Nation. In a January 14 speech to the American Farm Bureau, President Trump highlighted the inland

waterways, "which carry more than 60% of our agricultural products," he said.

"We need to build roads, bridges, airports, locks, dams, and rail that work for this century - not the last one. And let's not forget about updating our energy grid, repairing and replacing our water infrastructure and sewers, and making sure all Americans have access to broadband."—Senator Amy Klobuchar

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(D-MN). *"We need a massive investment in infrastructure in this country."*—Senator Susan Collins (R-ME).

Infrastructure is not a Democrat or Republican issue. Both sides agree that the needs are great, an opportunity lies ahead to make meaningful infrastructure fixes, but the million dollar question is how will it be paid for?

WCI mission's is to advocate for a modern, efficient and reliable inland waterways transportation system, and we have a plan to recapitalize this system of crucial infrastructure. We believe the most equitable, effective way to collect monies for construction and major rehabilitation for the inland

waterways continues to be the assessment of the current tax on diesel fuel consumed on the system during operations. In 2014, WCI fought successfully to raise the amount of investment into the inland waterways system by proposing a 45% increase to the diesel fuel tax that inland operators pay (the *only* user of the waterways system), from \$.20-cents-per-gallon to the current \$.29-cents-per-gallon fee. That revenue goes into the Inland Waterways Trust Fund (IWTF) to pay for half of the cost of lock construction and major rehab on the system, and is matched by Federal dollars in recognition of the many waterways benefits to all Americans.

WCI remains strongly opposed to additional taxation, tolls, lockage fees or adverse changes in cost-sharing for the Inland Waterways Transportation System. Instead, we urge that Energy and Water Appropriations for each fiscal year are of the full amount supportable by the diesel fuel tax going into the IWTF. But we also suggest modifying the cost-sharing for IWTF-financed construction projects to require 25% of the project cost to be derived from the IWTF and the remaining 75% from General Revenues, from the current 50%-50% formula. This would conform the inland navigation program with changes made to Deep Draft Navigation projects by Congress.

We also urge strongest fiscal year funding for Army Corps of Engineers' Civil Works Program Operations and Maintenance (O&M) (\$3.74 billion in O&M funding in FY19 was historic), and that O&M remains a fully Federal responsibility as it has been since the founding of the Nation.

We also want to see the full amount of fiscal year Energy and Water Development appropriations be drawn from the Harbor Maintenance Trust Fund as identified in the Water Resources Reform Development Act (WRRDA) of 2014.

We also suggest exploring redirection to the IWTF of a small percentage of the hydropower revenues generated at Corps of Engineers' dam projects.

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