

**Statement of Tim Parker
on behalf of
Waterways Council, Inc.
before the
Subcommittee on Transportation and Infrastructure
Environment and Public Works Committee
U.S. Senate
December 20, 2017**

Chairman Inhofe, Ranking Member Cardin, and Members of the Subcommittee, thank you for the opportunity to testify before you today on the topic of “Freight Movement: Assessing Where We Are Now And Where We Need To Go.” My testimony will focus on the importance of the inland waterways transportation system, and potential reforms that could modernize this critically important system.

I currently serve as Chairman of Parker Towing Company. Parker Towing Company is headquartered in Tuscaloosa, Alabama, and operates 26 towboats and over 335 open and covered hopper barges and tank barges. I am also the Chairman of the Board of Directors of Waterways Council, Inc. (WCI). WCI is the national public policy organization that advocates for a modern and well-maintained system of inland waterways and ports. Our diverse members include waterways carriers, shippers, agricultural interests, port authorities, trade unions, conservation organizations, and waterways advocacy groups from all regions of the country.

Anchored in the Constitution

From this country’s earliest days, even before our United States Constitution was adopted, the inland waterways system was recognized as a priceless asset and a matter of fundamental federal responsibility and stewardship. The authors of our Constitution anchored the federal government’s preeminent role in regulating navigation, both inland and coastal, in Article 1

Section 3's commerce clause; in Article 1 Section 9's prohibition of preference among ports clause, and elsewhere in that seminal document. One of the first actions by Congress was to enact legislation to provide for federal maintenance of the new Nation's navigational aids.

Congress has exercised its role in regulating and setting policy for the Nation's waterways through various legislation over the years. In the previous century, periodic "Rivers and Harbors Acts" or "Flood Control Acts," which predominated in the first half of the century, were replaced more recently by "Water Resources Development Acts." By whatever title, 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.

One System that Supports Many

Because of our natural geographic bounty, as well as the foresight and enlightened investment decisions made by generations who preceded us, our Nation is blessed today with the world's preeminent inland waterway transportation system. That system is composed of approximately 12,000 miles of commercially active, navigable inland and intracoastal waterways. Of this total, nearly 11,000 miles comprise the "fuel-taxed portion" of the system, on which commercial operators pay a diesel fuel tax that is deposited into the dedicated Inland Waterway Trust Fund. Users like Parker Towing Company successfully advocated in support of raising that tax by 45% in 2015 to its current level of 29 cents per gallon. This tax pays for half the cost of new construction and major rehabilitation of the fuel-taxed waterways' infrastructure, principally, locks and dams, but also including channel deepening.

Nationwide, according to the U.S. Army Corps of Engineers, the fuel-taxed waterways include 207 lock chambers at 171 sites on 27 statutorily-designated inland rivers and intracoastal waterways system segments. The locks and accompanying dams allow users of all types -- commercial and recreational -- to stair-step their way across the system while being assured that the depths those users require will be available as needed.

Beyond enabling commercial and recreational 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, and enhances national security capabilities. Unlike commercial users, none of these beneficiaries of the inland waterways system pay a fee to support modernization of the system.

While America's inland waterways system is the best in the world, it is not without challenges. Our country's international competitors have major efforts underway to enhance their own systems. More than half of the portion of the system that is operated by the Corps of Engineers is now more than 50 years old. Some system segments, particularly older portions located on the Upper Mississippi, Illinois and Tennessee Rivers, are sustained by outdated 600-foot-long locks that are unable to accommodate today's standard 15-barge tows without engaging in the inefficient and potentially dangerous procedure of "breaking" the tow into two sections in order to pass through the lock. These locks and dams require constant attention and financial support, both in terms of operations and maintenance funding to keep them reliably available to users throughout the year, as well as modernization funding to improve the system's efficiency in

order to facilitate the Nation's economic well-being and standard of living.

Infrastructure Investment is Needed to Keep America Competitive

I would like to thank this Committee for passing the important policy changes contained in the Water Resources Reform and Development Act of 2014, particularly, the cost-share policy for Olmsted Locks and Dam. The policy change from 50% Inland Waterways Trust Fund and 50% General Fund, to 15% from the Inland Waterways Trust Fund and 85% General Fund has led to significant improvements. In fact, at the last Inland Waterways Users Board meeting, the Corps reported that Olmsted's completion date is now 2022, which is four years ahead of the total project completion date originally scheduled for 2026, and is expected to be completed more than \$330 million under budget. Not only did the cost-share change help Olmsted, but it has allowed construction to resume and workers to go back to their jobs on the Lower Monongahela 2,3,4, Kentucky Lock, and Chickamauga Lock projects.

Finishing Olmsted as quickly as possible comes at a critical time for the inland system. Starting in early September 2017, locks and dams 52 and 53, which are the locks and dams that Olmsted replace, have experienced repeated failures, causing multiple complete closures of the Ohio River. At one point, there were 74 towboats and 842 barges waiting to lock through. These recent emergencies vividly demonstrate that locks and dams built in the 1920s, like locks and dam 52 and 53, are in critical need of modernization to maintain American competitiveness.

Currently, the inland waterways have a portfolio of 25 high priority inland projects either under or awaiting construction. At the current rate, many of these projects will not even begin construction in the next 20 years. In the Water Resources Development Act of 2016, 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 order to improve efficiency of this important work. By doing the same thing with the Inland Waterways Trust Fund, the Committee would allow for the inland navigation capital program to remain operating at or above a \$400 million level that has been achieved since the cost-share change at Olmsted, and accelerate project delivery on the portfolio of critical inland waterways projects.

As you move forward with an infrastructure package or potential Water Resources Development Act of 2018, I encourage you to consider the request to change the cost-share for construction of inland waterways projects. This important change would not only maintain, but advance the Nation's competitiveness and keep America leading at the top. That concludes my testimony, Mr. Chairman. Thank you for giving me the opportunity to be here today.