

Testimony Presented on Behalf of Chris Blanchard, Executive Director, Cooper Consolidated

“The Water Resources Development Act of 2024: Non-Federal Stakeholder Views”

Committee on Environment and Public Works

United States Senate

July 20, 2023

Chairman Carper and Ranking Member Capito, and members of the Committee, thank you for the opportunity to speak today on the benefits of investing in U.S. Army Corps of Engineers’ (the Corps) water infrastructure projects. My comments today will highlight the importance of Water Resources Development Acts (WRDA) and how the inland waterways provide and sustain more jobs, increase efficiency and competitiveness, and provide the safest and most environmentally friendly transportation of any surface mode.

I currently serve as Executive Director of Cooper Consolidated, Inc. Cooper Consolidated is an asset-based provider of midstream stevedoring, barge, marine, and logistics services. With operations based along the lower Mississippi River, we provide cargo handling and movements throughout the U.S. inland waterways system. I am also the Treasurer 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. WCI’s diverse members include waterways carriers, shippers, agricultural interests, port authorities, energy providers, construction contractors, organized labor 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 natural 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 the bedrock of the Nation's foundational document.

One of the early actions by Congress was to enact legislation to provide for federal maintenance of new navigational aids. Since then, 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 Waterways Trust Fund (IWTF). This tax pays for 35 percent of the cost of new construction and major rehabilitation of infrastructure on fuel-taxed waterways, principally locks and dams but also includes the initial deepening of channels. Users successfully advocated in support of raising our taxes by 45% in 2014 to its current level of 29-cents-per-gallon, which took effect in 2015. It is important to note it is the highest federal fuel tax currently being paid by a surface transportation mode.

According to the Corps of Engineers, the fuel-taxed waterways across the nation include 219 lock chambers at 176 sites on 27 statutorily designated inland rivers and intracoastal waterways system segments. The locks and accompanying dams allow users of all types – commercial, recreational, and governmental – to stairstep their way across the system while being assured that the depths those users require will be available as needed.

Additionally, the inland waterways system provides flood control, enables a stable water supply for nearby communities and industries, provides hydroelectric power, offers recreation such as fishing and water sports, irrigation, 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.

While America's inland waterways system is the best in the world, it is not without challenges. Our international competitors have major efforts underway to enhance their own systems and improve their standing in an ever-increasing global marketplace. Corps of Engineers projects, including those on the inland waterways systems, are designed for a 50-year life cycle. Today, more than 80 percent of the portion of our waterways system 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 utilizing outdated 600-foot locks that are unable to accommodate today's standard 1,200-foot long, 15-barge tows, without engaging in the inefficient and potentially dangerous procedure of uncoupling the tow into two sections, requiring it to pass through the lock in two trips instead of one. These locks and dams require constant attention and financial support, both in terms of modernization funding to improve the system's efficiency to facilitate the Nation's economic well-being and standard of living, as well as operations and maintenance funding to keep them reliably available to users throughout the year.

Importance of Water Resources Development Acts

After only passing two WRDA bills in 14 years, this Committee, starting in the 113th Congress, made WRDA a priority, passing now five bills over a 10-year stretch. I would like to thank this Committee for making WRDA bills a priority in each Congress. Congress passing a WRDA bill

each Congress gives stakeholders a sense of reliability that their project will be authorized, their study will move forward, or policy changes can be made to help advance the Nation's water infrastructure and improve our quality of life.

Below are recent examples of ways that WRDA bills have provided benefits to the inland waterways' stakeholders.

- Water Resources Reform and Development Act (WRRDA) of 2014 significantly accelerated project delivery on the inland waterways system. A cost-share change at Olmsted Locks and Dam to 15% IWTF/85% General Fund allowed for the Inland Waterways construction and major rehabilitation program to operate from 2014-2020 at about a 25% Trust Fund/75% General Fund split. This single change on a single project made it possible to fund other critical ongoing construction projects while accelerating the operability of Olmsted, allowing for \$600 million in annual national economic benefits to be accrued four years ahead of schedule.
- WRDA 2016 authorized the Upper Ohio Navigation System Study. The Upper Ohio Navigation project will modernize and upgrade capacity to the three oldest lock and dam projects on the Ohio River. Once operational, this program will provide \$150 million in annual economic benefits to the Nation.
- WRDA 2020 adjusted the cost-share for inland waterways construction and major rehabilitation projects from 50% general revenue/50% IWTF to 35% general revenue/65% until 2031. WRDA 2022 removed the sunset of 2031.

It is project authorization and policy changes that make enacting a WRDA bill every Congress so important.

That concludes my testimony, Mr. Chairman. Thank you for giving me the opportunity to be here today, and I will be happy to respond to any questions you or the other Committee Members may have.