

# Waterways

A publication of the Upper Mississippi Waterway Association

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As industry watches...

## Congress working on WRDA 2010

UMWA members are closely watching water related developments in Washington, D.C., including a new WRDA bill and an effort to force full expenditure of the dollars brought in by the Harbor Maintenance Tax (HMT). Although they haven't generated many headlines, both efforts are well underway.

The 2010 Water Resources Development Act (WRDA) has been in the works since last July when House Transportation and Infrastructure Committee Chair Rep. James Oberstar (D-MN) wrote a "Dear Colleague" letter to members soliciting requests for studies and projects. In mid-April the Water Resources and Environment Subcommittee held a hearing to begin pulling together the requests and writing the bill.

### Obey retires

Of special interest to UMWA is the recently announced retirement of Wisconsin's Seventh District Congressman David Obey. As head of the House Appropriations Committee, Obey has been a major player in monetary decisions, including all infrastructure spending.

Oberstar says he will miss Obey personally and professionally. "We've lost a great asset for America: a thinker, a doer, a mover, a shaker both in Wisconsin, for Northeast Minnesota, for the country at large. And personally, he's just a good, dear trusted reliable friend."

Although WRDA has traditionally been a biennial piece of legislation, WRDA 2007, which went into



*(Above) Lock and Dam 7 near LaCrescent, Minn., was one of the structures benefitting from stimulus funded repairs this past winter.*

effect in November of that year, was the first such bill since 2000. Rep. Oberstar says that bill addressed a backlog of project authorizations, modifications and studies, but more needs have been identified in the succeeding two years.

### Urging passage

Among those calling for timely passage of WRDA 2010 is Janet Kavionky, of the U.S. Chamber of Commerce. She told the subcommittee members that

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## From the Executive Director . . .

### Year of the TIGER

In February, the federal government announced \$1.5 billion in ARRA grants under the Transportation Investment Generating Economic Recovery (TIGER) Discretionary Grants Program. According to DOT, these grants were awarded on a competitive basis for capital investments in surface transportation projects that will have a significant impact on the Nation, a metropolitan area or a region.

As stated on their website, DOT used job creation, economic stimulus, innovation and partnerships as criteria to select projects.

DOT indicated it received over 1,400 applications totaling almost \$60 billion; the 51 successful grant awards went to projects ranging from bridge replacements, freight rail corridor improvements, streetcar extensions and bicycle/pedestrian networks. The largest grant was \$105 million for a multi-state freight rail project; the average award size was \$30 million.

Of successful grants, the top-ten (in dollar amount), included 2 for freight rail, 3 commuter rail, 3 bridge, 1 bus transport and 2 transit corridor projects. The remaining grants were distributed nationwide and included a \$25 million pier reconstruction in Honolulu Harbor.

Although not in the top-ten, Minnesota received one grant of \$35 million for St. Paul's Union Depot Transit Project that has a total cost \$238 million. Wisconsin received one grant; Illinois, 3; Iowa, 2 and Missouri shared two grants with neighboring states.

### Tigers don't like water

We don't like to pick nits, however water transportation did not fare too well under this program. Attempts to calculate an accurate percentage of funds granted to waterway infrastructure is meaningless as project names are not detailed. Also, a cursory analysis of project specifics reveals little mention of port or waterway development, save one large multi-state project in the Northeast and a single-state venture in Southwestern Illinois. The grant total for these two projects is \$104 million, only about 7% of the \$1.5 billion grant program. This is a paltry amount considering that total imports and exports for 2009

have been estimated at \$2.7 trillion.

Within recent months it was announced that NESP waterway projects were not eligible for ARRA funds as they were considered 'new starts'. In addition, claiming it would violate pledges of no-new-taxes, some in Congress do not support the consensus plan in which the waterway industry agrees to a 30% – 45% increase in the 20 cent per gallon fuel tax to fund the Inland Waterways Trust Fund. And now, waterway infrastructure has been totally outgunned by TIGER suggesting a classic Rodney Dangerfield skit.

### Members of Congress to the rescue

In an April 27<sup>th</sup> letter to Transportation Secretary Ray LaHood, 19 Members of Congress asked that America's ports be provided at least 25 percent of the \$600 million appropriated for TIGER II. *[Late last month, DOT announced it was soliciting applications for a second iteration of the TIGER program, at \$600 million, which some call TIGER II. Pre-applications are due by July 16, with final applications due by August 23, 2010.]*

In their letter to the Secretary, the MCs said they were making this request because of their concern that port infrastructure investments were greatly overlooked in the first \$1.5 billion program. "Of the TIGER grants awarded, only 8% went to seaport infrastructure improvements", they said. "This is deeply troubling", they continued, "as we had understood that ports would be given an adequate opportunity to compete for the discretionary grant funds."

### Highways have other routes

The MCs stated further that the TIGER grant process is the only source of funding for ports in the ARRA mechanism; highways, transit and other transport project have other funding sources under the Recovery Act and through Highway Trust Fund formula accounts. As such, they had expected that ports would be given more consideration in the TIGER grant program.

Finally, the MCs stated that the \$600 million grant under TIGER II "is the right opportunity for the U.S. Department of Transportation to demonstrate its commitment to our ports – a vital component of our

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nation's economic recovery.”

### Flexibility is key

One thing that seems to be made clear by TIGER is the notion that State DOTs, especially those that need more highway capacity to handle increased commerce and commuters, need flexibility in administering their Federal Highway Administration funding. There also seems to be an understanding that if waterways are to fulfill their mission of being the mode of transport that reduces landside congestion and pollution, the waterway infrastructure itself must be up to the task.

A recent article in *The Waterways Journal* noted that some states are restricted by their constitutions or funding sources in how they can use their transportation dollars. The article stated that when federal stimulus money became available through ARRA, Ohio had already worked out how it wanted to focus on water projects.

Previously, projects paid for by federal highway money had to stop at the gates of a port. “But enabling language both in ARRA and in state legislation allowed the money to go to road and rail improvements directly inside Ohio ports.”

Perhaps state DOT's are coming to understand that by including water transport in their overall planning schemes they can reduce highway maintenance expense and control drive-time gridlock, while improving air and quality of life; something waterway stakeholders have been saying for decades.

### Other river related items

◀ UMWA members have discovered that [www.youtube.com](http://www.youtube.com) is an online resource for things waterway related. For example if you've never seen a paddlewheel towboat in operation, “Travel Talks – 1942 Minnesota Land of Plenty” contains a short clip of the Patrick J. Hurley pushing cargoes on the river.

◀ The National Park Service will hold its 2<sup>nd</sup> Annual Urban Wilderness Canoe Adventures Partner Paddle on Friday, May 14 from 1:30 to 5:00 p.m. The event will begin on the East River Flats near the U of M and travel to Hidden Falls. Canoe and gear will be provided. RSVP to <http://www.wildernessinquiry.org/uwca514> or call 612-676-9414.

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waterborne cargoes and related economic activity contribute more than \$742 billion annually to the country gross domestic product.

“Investing in the Army Corps of Engineers navigation mission through WRDA is necessary to ready the marine transportation system to meet future demand for safe, reliable and efficient domestic and international freight movement. Without Congressional action, the ability of the system to support domestic development is compromised.

### HMT included?

The effort to make sure that all tax dollars paid into the Harbor Maintenance Tax are used for harbor maintenance is being spearheaded by Senators Carl Levin (D-MI) and Kay Bailey Hutchinson (R-TX). S. 3213 has a counterpart in the House.

Great Lakes Seaway News says, “It is hoped by supporters of the measure that the bill would be available for inclusion in a 2010 effort to reauthorize the Water Resources Development Act (WRDA) which authorizes the US Army Corps of Engineers' dredging efforts nationally. The bill would require that the administrators of the Harbor Maintenance Trust Fund (HMTF) to spend what it takes in each year rather than amass a surplus that is used in an elaborate government accounting exercise aimed at adding monies to the revenue side of the federal budget ledger.”

There is, of course, no shortage of projects on the Upper Mississippi River. Recent dewatering and maintenance projects at Locks and Dams 5, 6 and 7 were accomplished with stimulus dollars, as will be the work to improve navigation safety and strengthen the levees at Lock and Dam 3, but replacement rather than maintenance is needed at several key locations.

### UMWA supports

The UMWA is among a group of 150 stakeholders in support of a comprehensive report from the Inland Waterway Users Board that, if adopted by Congress, would ensure the continued physical and fiscal health of the entire inland navigation system. If adopted, the new recommendations would mean an increase of 20-cents per gallon in the fuel tax currently paid by the navigation industry (the only system users who are taxed).