



Inland Waterways and Ports—A Lifeline for U.S. Farmers and Exporters

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Importance: U.S. transportation infrastructure historically has been a key component of U.S. agriculture’s comparative advantage in world markets. A particularly important component is the U.S. inland waterways and port infrastructure, which is used to transport over 85 percent of U.S. grains and oilseeds destined for export markets and is a vital artery for transporting fertilizer and other crop inputs to U.S. farmers. The United States exports about 25 percent of its total grain production, with nearly 50 percent of U.S. soybeans and more than 40 percent of U.S. wheat exported each year. Of this volume, nearly 60 percent moves via the Gulf ports, while another 27 percent is transported via the Pacific Northwest ports.

The inland waterways system provides the lowest-cost, most fuel-efficient and most environmentally friendly and sustainable way to transport grains, oilseeds and other agricultural products. It also supports more than 540,000 U.S. jobs. Every \$1 billion in U.S. agricultural exports supports 15,000 U.S. jobs.

Problem: Alarming, most locks and dams on the U.S. inland waterways system – particularly those on the Upper Mississippi and Illinois waterways – are dilapidated.

- Most were built in the 1920s and 1930s, and have far exceeded their 50-year design lifespan.
- A recent [University of Tennessee study](#) concluded that disruptions at Mississippi River Lock 25 would harm the corn and soybean sector, resulting in a loss of 7,000 jobs and \$2.4 billion in economic activity.
- In the past decade, there has been a 700 percent increase in unscheduled work stoppages for repairs.
- The United States has fallen to 11th in infrastructure in the World Economic Forum’s most recent Global Competitiveness Report – that’s compared to seventh as recently as 2008.
- The American Society of Civil Engineers’ 2017 infrastructure report card gave inland waterways a D.

In addition, navigation channels at U.S. ports need to be deepened and widened to accommodate larger Panamax vessels made possible by the expansion of the Panama Canal and foreign ports.

Requests: Ask #1: Support Stronger Federal Investment in U.S. Locks, Dams and Ports

- The Navigation and Ecosystem Sustainability Program (NESP) is among 25 critical modernization projects that need to be funded. Critically important to American agriculture, NESP is congressionally authorized and includes construction of the following seven top-priority 1,200 foot locks at the most congested locations on the Upper Mississippi River System (\$2.8 billion investment):

Upper Mississippi River Lock and Dam 20	Mississippi River/ MO/IL	\$323,100,000
Upper Mississippi River Lock and Dam 21	Mississippi River/ MO/IL	\$449,700,000
Upper Mississippi River Lock and Dam 22	Mississippi River/ MO/IL	\$372,900,000
Upper Mississippi River Lock and Dam 24	Mississippi River/ MO/IL	\$434,000,000

Upper Mississippi River Lock and Dam 25	Mississippi River/ MO/IL	\$543,100,000
LaGrange Lock	Illinois River/ IL	\$357,700,000
Peoria Lock	Illinois River/ IL	\$358,900,000

- These are among the seven Major Rehabilitation Projects ready for construction:

Brandon Road Lock	Illinois River/IL	\$68,500,000
Dresden Island	Illinois River/IL	\$50,000,000
T.J. O'Brien	Little Calumet River/IL	\$46,500,000

Ask #2: Oppose Proposals to Impose Inland Waterways Tolling, Lockage or Tonnage Fee

- The inland waterways system currently benefits from a successful public-private partnership! The commercial barge and towing industry already pays 50 percent of the cost of inland waterway construction and major rehabilitation on projects into the Inland Waterways Trust Fund (IWTF) consisting of a 29-cent-per-gallon diesel fuel tax, which is paired with matching federal funds.
- This industry is the ***only*** private entity that pays into the IWTF, even though inland waterway benefits are enjoyed freely by many other stakeholders, including recreational users, those receiving hydropower, municipal and agriculture water supplies, and those benefitting from flood-control projects.
- In the highly competitive world agricultural market, transportation costs typically are passed back to the point of production – the U.S. farmer. At a time of low commodity prices, family farmers who utilize the waterways to transport crops to market would bear the brunt of tolls.
- In 2015, the [Illinois Corn Growers Association conducted a study](#) to examine alternative private-financing options for Illinois Waterway Projects and determined this could result in an additional user fee or lockage fee of \$0.014 to \$0.036 a bushel. This means that one 15-barge tow carrying 875,000 bushels of corn could cost an additional \$31,500 per lock – ***in addition to*** the fuel tax already assessed.
- Despite previous budget proposals to impose tolling and lockage fees on the inland waterways system submitted by the Obama, George W. Bush and Clinton administrations, Congress, as well as [a diverse coalition of manufacturers, farmers, and exporters](#), consistently have opposed these efforts.
- The waterways system differs from the highway system, where a driver can choose between the new capacity provided by a toll road or continue to rely on previously existing non-toll roads. Further, unlike highways, major beneficiaries of the inland waterways (noted previously) would not be subject to tolls.
- As noted previously, the commercial barge industry already pays half of the cost of inland waterway construction projects. Additional costs imposed on barge transportation – atop the 50 percent already paid into the IWTF – would disadvantage this mode and undermine U.S. agriculture's competitiveness.

NGFA Contact: Bobby Frederick, Director of Legislative Affairs and Public Policy (bfrederick@ngfa.org) 202-289-0873