

The Agricultural Transportation Working Group

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The Agricultural Transportation Working Group (ATWG) is composed of more than 40 associations representing producers, grain handlers, millers, processors and exporters, input suppliers, feed and pet food manufacturers and other agribusinesses. A primary goal and focus of the ATWG is to advocate for federal policies and investments in infrastructure that make America more competitive. The United States has some of the most productive farmland and most efficient producers and agribusinesses on the planet, yet its long-standing comparative and competitive advantage in transportation infrastructure is declining. The ATWG seeks to both inform and partner with Congress and the Administration to bolster this edge so that America can better compete in international agricultural trade, which contributes to U.S. job creation and economic growth.

The Undisputed Importance: Inland Waterways & Ports Are a Lifeline for U.S. Farmers & Exporters:

U.S. transportation infrastructure historically has been a key component of U.S. agriculture's comparative advantage in world markets. The U.S. inland waterways and port infrastructure represents a vital transportation artery that moves more than 85 percent of U.S. grains and oilseeds destined for export markets, 33 percent of fertilizer, and various other crop inputs to U.S. farmers. The U.S. exports about 25 percent of its total grain production, with nearly 50 percent of U.S. soybeans, more than 40 percent of U.S. wheat, and about 15 percent of U.S. corn exported each year. Of this volume, nearly 60 percent moves via Gulf ports, while another 27 percent is transported via Pacific Northwest ports. On the meat and poultry side, the U.S. exports approximately 15 percent of beef, 27 percent of pork, and 18 percent of poultry production.

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.

The 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 and Illinois River LaGrange Lock would result 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 U.S. 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.

Solution #1: Support Stronger Federal Investment in U.S. Locks, Dams & Ports

- Currently, there exists a backlog of 25 critical inland waterways modernization projects that need to be funded to bring the system into the 21st Century (\$8.75 billion total investment).
- Of utmost importance to American agriculture, the Navigation and Ecosystem Sustainability Program (NESP) already is congressionally authorized and includes construction of seven top-priority 1,200-foot

locks (LaGrange, Peoria, Upper Mississippi River Locks 20, 21, 22, 24 & 25) at the most congested locations on the Upper Mississippi River System (representing \$2.8 billion of the \$8.75 billion backlog).

- Major rehabilitation projects ready for construction (including Brandon Road, Dresden Island and T.J. O'Brien) also should be prioritized (representing \$368 million of the \$8.75 billion backlog).
- The Harbor Maintenance Trust Fund has a \$9 billion surplus, and efforts should be made to unlock more of these funds for the intended uses of maintenance, including dredging.

Solution #2: Support the Existing Public-Private Partnership on the Inland Waterways and Oppose Tolling, Lockage or Tonnage Fees

- 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 through assessment of a 29-cent-per-gallon diesel fuel tax paid into the Inland Waterways Trust Fund (IWTF), which is paired with matching federal funds.
- This industry is the *only* private entity that pays into this trust fund, even though the benefits of the inland waterways are enjoyed freely by numerous other stakeholders, including recreational users, those who receive hydropower, municipal and agriculture water supply, and those who benefit from flood damage prevention.
- 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 that 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 on top of the fuel tax industry already pays.
- Despite budget proposals by President Obama, President George W. Bush and President Clinton to impose tolling and lockage fees on the inland waterways system, Congress, as well as [a diverse coalition of manufacturers, farmers, and exporters](#) have consistently resisted 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.
- Imposing additional costs on barge transportation- on top of the 50 percent farmers and industry pay into the IWTF- would disadvantage this mode and undermine U.S. agriculture's competitiveness.

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List of 25 Inland Waterways Projects Currently in the Backlog (\$8.75 billion)

Source: Waterways Council, Inc. Infrastructure 2017 White Paper

- Projects authorized and awaiting construction:**

Project	River/State	Amount
Brazos High Island	Gulf Intracoastal Waterway/ TX	\$17,400,000
Brazos River to Port O'Connor	Gulf Intracoastal Waterway/ TX	\$22,000,000
Calcasieu Lock	Gulf Intracoastal Waterway/ LA	\$16,700,000
Dashields Lock	Ohio River/ PA	\$800,700,000
Emsworth Lock	Ohio River/ PA	\$737,100,000
Inner Harbor Navigation Canal Lock	Mississippi River/Louisiana	\$1,000,000,000
LaGrange Lock (NESP)	Illinois River/ IL	\$357,700,000
Montgomery Lock	Ohio River/ PA	\$782,300,000
Peoria Lock (NESP)	Illinois River/ IL	\$358,900,000
Upper Mississippi River Lock and Dam 20 (NESP)	Mississippi River/ MO & IL	\$323,100,000
Upper Mississippi River Lock and Dam 21 (NESP)	Mississippi River/ MO & IL	\$449,700,000
Upper Mississippi River Lock and Dam 22 (NESP)	Mississippi River/ MO & IL	\$372,900,000
Upper Mississippi River Lock and Dam 24 (NESP)	Mississippi River/ MO&IL	\$434,000,000
Upper Mississippi River Lock and Dam 25 (NESP)	Mississippi River/ MO & IL	\$543,100,000
	Total =	\$6,215,600,000

- **Major Rehabilitation projects ready for construction:**

Project	River/ State	Amount
Brandon Road Lock	Illinois River Waterway/ IL	\$68,500,000
Dresden Island	Illinois River/ IL	\$50,000,000
Greenup Lock	Ohio River/ OH & KY	\$54,500,000
J.T. Myers Lock	Ohio River/ IN & KY	\$44,800,000
Starved Rock	Illinois River	\$30,000,000
T.J. O'Brien	Little Calumet River/ IL	\$46,500,000
LaGrange Lock	Illinois River/ IL	\$74,000,000
	Total=	\$368,300,000

- **Remaining cost of projects currently under construction:**

Project	River/State	Amount
Chickamauga Lock and Dam	Tennessee River/ TN	\$538,959,000
Kentucky Lock and Dam	Tennessee River/ KY	\$402,632,902
Lower Monongahela Locks and Dams 2, 3, and 4	Monongahela River/ PA	\$474,457,500
Olmsted Locks and Dam	Ohio River/ IL & KY	\$743,863,000
	Total =	\$2,159,912,402

The ATWG is comprised of the following (43) Associations: **Agricultural Retailers Association * Agriculture Transportation Coalition * American Bakers Association * American Farm Bureau Federation * American Frozen Food Institute * American Soybean Association * American Trucking Association * Corn Refiners Association * Equipment Dealers Association * Farm Credit Council * Institute of Shortening and Edible Oils * Growth Energy * International Dairy Foods Association * Livestock Marketing Association * National Association of State Departments of Agriculture * National Association of Wheat Growers * National Barley Growers Association * National Cattlemen's Beef Association * National Corn Growers Association * National Cotton Council * National Council of Farmer Cooperatives * National Farmers Union * National Grain and Feed Association * National Institute of Oilseed Products * National Milk Producers Federation * National Oilseed Processors Association * National Pasta Association * National Pork Producers Council * National Potato Council * National Sorghum Producers * National Sunflower Association * National Turkey Federation * North American Meat Institute * North American Millers' Association * Pet Food Institute * Renewable Fuels Association * Soy Transportation Coalition * The Fertilizer Institute * United Fresh * U.S. Canola Association * U.S. Poultry & Egg Association * USA Rice Federation * Waterways Council, Inc.**