



# PNWA supports a national dialogue to address the Inland Waterways Trust Fund

## Inland Waterways Trust Fund

The Inland Waterways Trust Fund (IWTF) is designed to pay for 50% of construction and major rehab costs on the nation's inland waterways. It is currently financed through a 20 cent per gallon diesel tax on those waterways. From its inception, the IWTF contained a surplus, with collections exceeding expenditures. In FY2009, for the first time, the Fund contained less than was needed. Collections are expected to be below need for the foreseeable future.

## Inland Marine Transportation System (IMTS) Capital Investment Strategy draft report released

The Inland Marine Transportation System (IMTS) Capital Investment Strategy Program Management Team is comprised of stakeholders and representatives from the U.S Army Corps of Engineers. The Team released a draft report in December 2009 to propose more efficient ways to fund and execute inland construction and major rehab projects for the next twenty years. The next step is for the report to be finalized and transmitted to Congress.

The draft includes recommendations to more fully fund existing inland navigation construction and the largest major rehab projects. The plan would keep the existing 50/50 (federal/IWTF) cost share for new lock construction and major rehabs above \$100M. It proposes reducing the stakeholder (IWTF) cost share to zero for major rehab projects of less than \$100M.

The existing diesel tax paid by towboaters would need to increase 30 - 45% (6cents - 9 cents per gallon) to produce \$110M per year in Inland Waterway Tax receipts.

The plan also envisions a cost-sharing cap, wherein project cost overruns would not require additional matches from the IWTF. Project delivery recommendations are made, with a desire for IWUB concurrence on new starts, IWUB members on project delivery teams, and the use of continuing contracts.

## Lockage fees are not the solution

In recent years, the Bush and Obama Administrations have both proposed phasing out the diesel tax and imposing a new lockage fee for commercial barges using locks operated by the Corps. PNWA, other river system organizations, and Congress have steadfastly opposed a shift to lockage fees, which would inordinately hurt the Columbia Snake River System.

In September 2011, the Obama Administration released another proposal to raise more revenue for the IWTF. The proposal would keep the existing diesel tax of 20 cents/gallon, and phase in an additional fee on vessels moving commercial cargo. The additional fee would have two tiers, with the higher tier levied on vessels that use locks. PNWA does not support this proposal.

The PNWA membership supports a national dialogue to determine equitable stakeholder funding levels to maintain the viability of the Fund. Our members look forward to working with the Administration, Congress and industry to identify reasonable and appropriate funding sources to rebuild the Fund.

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PNWA supports a dialogue regarding the IWTF, and strongly opposes a shift to lockage fees

