

INLAND WATERWAYS TRUST FUND



The Inland Waterways Trust Fund (IWTF) is funded by a diesel tax paid by towboaters operating on the inland waters of the U.S. It is intended to pay for 35% of construction and major rehabilitation costs of the infrastructure on the nation's inland waterways. The remaining 65% is paid by the General Fund of the U.S. Treasury. In recent years, however, the IWTF has collected less than is necessary to complete projects across the country. In 2014, significant progress was made to improve the future of the fund. Tax extension legislation increased the diesel tax paid by towboaters from 20 to 29 cents per gallon. This increase was supported by industry and is seen as a positive step forward to ensuring the IWTF remains solvent for years to come. The Water Resources Development Act (WRDA) of 2024 text released by the Senate Environment and Public Works Committee proposes to change the allocation from 65% federal to 75% federal funding and 25% from the IWTF.

PNWA supports regional equity of IWTF allocations

The Water Resources Reform & Development Act of 2014 (WRRDA) had many provisions regarding the IWTF. The bill recognized the inadequacies in revenue structure, proposed a series of project delivery reforms and increased communication between the Inland Waterways Users Board (IWUB), the Assistant Secretary of the Army for Civil Works and Congress. It also required utilization of the IWUB's 20-year Capital Development Plan, which is a prioritized list of projects recommended for IWTF funding.

The Northwest currently has no new construction or major rehabilitation projects on the horizon. Still, Northwest towboat companies continue to pay into the fund. WRRDA recognized this type of circumstance and required that all U.S. geographic areas are represented in the Capital Development Plan. WRRDA also required that the Plan be reviewed every five years, providing an on-ramp for projects that may arise after the list is initially developed. PNWA is very supportive of these two provisions which will allow Northwest projects to receive funding from the IWTF, in the event we see a major rehabilitation or new construction project on the inland Columbia Snake River System in the future.

PNWA opposes lockage & vessel fees, supports continued dialogue

The PNWA membership supports a continued national dialogue regarding the future solvency of the IWTF, however we oppose leveeing lockage or vessel fees on river users. The Bush, Obama and Trump Administrations all proposed new fees including a per vessel charge or lockage fee for commercial barges using locks operated by the U.S. Army Corps of Engineers. We oppose these concepts, as it would be inordinately detrimental to Columbia Snake River System users.

For FY2021, the Trump Administration proposed no funding for inland waterway projects currently under construction and no new starts for projects utilizing IWTF. For FY2024, the Biden Administration proposed no funding as well. When pressed on FY2024 capacity, the Corps acknowledged \$400 million in capability with \$140 million spent from the IWTF. For FY2025, the President Biden proposed \$1 billion for inland navigation. PNWA members look forward to working with the Administration, Congress and industry as the conversation moves forward in the future.

PNWA also continues to partner with the Portland and Walla Walla Districts of the Corps to ensure that our funding needs on the Columbia Snake River System are proactively anticipated, identified, and addressed in a timely, operations & maintenance (O&M) fashion.

