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before the

Subcommittee on Water Resources and Environment

Water Resources & Development Act of 2020: Status of Essential Provisions

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Chairman Napolitano, Ranking Member Rouzer, and Members of the Subcommittee, I thank you for the opportunity to testify before you today on "Water Resource & Development Act (WRDA) 2020: Status of Essential Provisions". My testimony will focus on the importance of water resources development legislation, the positive changes made over the years, Congress's role in continuing to build on previous successes, the need for full use of the Inland Waterways Trust Fund (IWTF), and the adoption of the Capital Investment Strategy (CIS) and reinstatement of the Inland Waterways User Board (IWUB) to "Build Back Better".

As Executive Director of the Port of Pittsburgh Commission, I am the chief executive officer responsible for carrying out the Port of Pittsburgh Commission's (PPC) core mission: promote efficient use of the inland waterway-intermodal transportation system and integrate that system into the economic, recreational, environmental, and intermodal future of the residents and industries of southwestern Pennsylvania and the Nation.

As we have stated in our recently published economic impact study, *The Port of Pittsburgh: Impact, Opportunities, and Challenges*,[1] The Port of Pittsburgh is fourth in tonnage among the nation's inland waterways ports and the 33rd busiest port among all U.S. coastal and inland ports as a group. The Port of Pittsburgh is also linked to—and is a vital part of—the nation's inland waterways system. There are very important mines, steel works, and power plants that use the waterways for shipping, cooling, material processing, and/or waste management. Many of these facilities are successful only because our geographic location—on the Allegheny, Monongahela, and Ohio Rivers—and the 200 miles of commercially navigable waterways that include 17 locks and dams that have been used in southwest Pennsylvania for almost 200 years. Although the different industries use the rivers in different ways, the rivers are a critical resource for all of them. These entities are important parts of the overall U.S. economy.

Each of our locks and dams has a different story, but they often share state-of-the-art technology at their construction decades ago, multiple cycles of rehabilitation, and in some cases replacement with the latest construction and design techniques. Without these important locks and dams, our economy would be severely impacted. Inland waterways infrastructure projects in our region provide transportation cost advantages that incentivize the shipment of 30 million tons of cargo each year.[2] Most notably, shipping costs for raw materials average 0.97 cents per ton-mile by barge compared to 2.53 cents per ton-mile by rail or 5.35 cents per ton-mile by truck. Furthermore, inland waterway transportation provides a greater benefit to the environment because our industry's cargo

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[1] https://www.portpitt.com/media/W1siZiIsIjIwMjEvMDMvMDQvM2IyY3hkcTN2N19Qb3J0X29mX1BpdHRzYnVyZ2hfMjAyMV9FY29ub21pY19JbXBhY3RfU3R1ZHkucGRmIl1d/Port%20of%20Pittsburgh%202021%20Economic%20Impact%20Study.pdf

[2] 10-yr average: 2009–2018.

moving 647 ton-miles per-gallon of fuel tops other key surface modes (145 ton-miles per gallon of fuel for trucks and 477 ton-miles per gallon of fuel for locomotives).

As you all begin working on an infrastructure package in the coming months and WRDA 2022, it is important to recognize that while overall financing and management challenges facing the inland waterways system and the current business model for modernizing the nation's locks and dams have improved tremendously, there is still some work to be done.

Project Examples

America's inland waterways system is the best in the world, but is not without its challenges, as international competitors continue to improve their systems and facilities. More than half of the locks and dams on the U.S. inland waterways are past their 50-year design life, with most locks and dams built in the 1930s under President Roosevelt. Our locks and dams, and our ports, require attention and financial recapitalization for dredging and channel and harbor improvements to maintain reliability and sustain our Nation's economic well-being and standard of living. That attention starts with reinstating the IWUB.

As an advisory board established by Congress in WRDA 1986, the IWUB provides recommendations to Congress and the Secretary of the Army on investment priorities using resources from the IWTF which the commercial users of the inland waterways have contributed for construction and major rehabilitation of inland navigation investment priorities. Earlier this year, along with all other Department of Defense advisory committees, the IWUB was directed to immediately suspend all operations until the Department of Defense completes a "zero-based" review. I strongly encourage that the board be reinstated given the IWUB is filled with industry leaders and subject-matter experts with extensive experience in inland waterways transportation.

This relationship has fostered candid and collaborative conversations between the U.S. Army Corps of Engineers (the Corps) and stakeholders, and fulfills the "user pay, user say" policy. I believe as I begin discussing project examples, you will understand that the IWUB plays a critical role in project delivery.

The Lower Mon Project

The Lower Mon Project (Locks and Dams 2, 3, and 4), which encountered dramatic cost escalation and schedule delays, is currently funded to completion of construction in 2023, The project was authorized in the WRDA 1992 to replace the Braddock Dam; the Lock and Dam 4 and remove Lock and Dam 3. However, inadequate funding forced the Corps to complete the $556.4 million project one component at a time, or as funding allowed. Currently, the Lower Mon project is going on its 27th year of construction, which is longer than the life of many Capitol Hill staffers. These locks on the Lower Monongahela River experience the highest volume of commercial traffic on the Monongahela River in terms of both tonnage locked and lockages; further, the pools created by these facilities provide industrial and municipal water and are popular with recreational boaters.

The Olmsted Lock & Dam Project

Like Lower Mon, The Olmsted Lock and Dam Project (Olmsted) was authorized decades ago through the WRDA 1988 at $775 million. At the time, the project authorization consisted of creating a new lock and dam on the Ohio River between Illinois and Kentucky with two 110' x 1200' chambers and eliminating Ohio River Locks Dam 52 and 53. The original projected completion date was 1998. However, the cost of the project ballooned to $3.1 billion. Thankfully, WRDA 2014 authorized many of the project delivery recommendations made by the IWUB and

increased the threshold size of a rehabilitation project authorized to be cost-shared by the IWTF to $20 million with an annual inflation amount. One of the most widely heralded provisions of the act was the reduction of the IWTF portion of the cost-sharing requirement for Olmsted from 50 percent to 15 percent. Together with another provision enacted in 2014 to increase the inland waterway diesel fuel tax by 45% to the current 0.29 cents per gallon, this provision expedited completion of Olmsted by four years, saving $330 million, and allowed a much larger amount of IWTF funds to be spent on other projects—including the Chickamauga Lock and Dam in Tennessee and Kentucky Lock and Dam in Kentucky.

Upper Ohio Navigation System Project

Authorized in WRDA 2016, The Upper Ohio Navigation project, which will modernize and upgrade capacity to the three oldest lock and dam projects on the Ohio River, including the Montgomery Lock and Dam, was recently given a "New Start Designation", and awarded $22 million for completion of Pre-Construction Engineering and Design Phase and to begin the construction phase. When constructed, this project will mark the completion of one of the IWUB top priority projects. This is very important for the PCC and the nearby region because this marks the first "New Start" Designation since 2004 for a major inland waterways construction project. This is critical because a major failure on the Upper Ohio River would shut down the entire Port of Pittsburgh.

Legislative Opportunities In the 117th Congress

Since 2014, a WRDA bill has been passed every two years with overwhelming bipartisan support, and numerous provisions added to increase efficiency and help move projects forward on the locks and dams throughout the 12,000 miles of navigable waterways in the U.S. Specifically, the most significant update came in WRDA 2020 when, led by this Committee,

Congress agreed to change the construction cost-share for projects on inland waterways to 65-35 (65% General Treasury and 35% IWTF). I cannot thank the Committee enough for your support in modifying the cost-share.

With the adjustments made in WRDA 2020 by this Committee, it is important that all the IWTF receipts are appropriated so that we can reduce the inland waterways construction backlog as fast as possible.

Congress has taken meaningful steps to tackle the nation's growing infrastructure problem, however, WRDA is only a piece of the puzzle. Many of your colleagues have expressed the need for a robust infrastructure package that will provide jobs, increase efficiency, and reduce emissions, and I would like to emphasize that infrastructure upgrades on our inland waterways will help the nation achieve those goals. As required by WRDA 14, in consultation with the IWUB, the Corps has developed a plan, called the Capital Investment Strategy (CIS), that recognizes the importance of construction and major rehabilitations necessary to modernize the nation's inland waterways system, using objective, national project selection prioritization criteria and processes to focus investments where they matter the most. As you move forward with a potential infrastructure package, I encourage you to include funding for lock and dam modernization.

Conclusion

In closing I want to reiterate the fact that beyond enabling commercial transportation, the inland waterways system provides recreational access, flood control, stable water supply for communities and industries, facilitates hydroelectric power, enhances regional economic development, and plays a supporting element to national defense.

As this Subcommittee continues to consider water resources in the United States, I urge you to appreciate the conduit of the inland waterways and port system to American competitiveness and growth. Modernizing our ports and rivers is an investment in our nation's continued economic prosperity because a majority of our nation's commodities and over half-million jobs are riding on our waterways transportation system and through our ports.

This concludes my testimony, Chairwoman Napolitano. Thank you for providing this opportunity to be here today to address this critically important subject and I look forward to answering questions from the committee.