



**SOY TRANSPORTATION
COALITION**

NEWS RELEASE

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Steenhoek Testifies on Importance of Inland Waterways to Soybean Industry

Ankeny, Iowa – In a congressional hearing focused on the importance of the inland waterway system to the U.S. economy, Mike Steenhoek, executive director of the Soy Transportation Coalition, testified that transportation – including our navigable waterways – “is not just a contributing factor to the economic competitiveness of agriculture, in general, and the soybean industry, in particular, it is a predominant one.”

The April 18 hearing, hosted by Congressman Bob Gibbs (R-OH), Chairman of the House Transportation and Infrastructure Subcommittee on Water Resources and Environment, highlighted the significance of the nation’s lock and dam system to the overall economy, the alarming condition of system, and the need to strategically invest in it.

In his testimony, Steenhoek stressed how the primary reason U.S. soybeans are the most economical to international customers is due to our transportation efficiencies compared to Brazil – the main competitor to the U.S. soybean industry on the world marketplace. However, as Brazil continues to invest in their transportation infrastructure and the U.S. remains anemic in investing in ours, that competitive advantage will erode.

Steenhoek cited the current expansion of the Panama Canal and its potential to enhance the viability of maritime transportation. That potential will only be realized if the U.S. makes the necessary investments in locks and dams and ports. Otherwise, the expansion project will be a missed opportunity.

“Our overall dilapidated lock and dam system – exhibited by unscheduled maintenance, mechanical breakdowns, and a threat of failure – sends a terrible signal to those who utilize the system,” explained Steenhoek. “How can we expect grain handlers and other freight interests to invest millions of dollars on new or upgraded facilities when we cannot provide certainty that their shipments will be delivered to customers in an efficient manner?”

While the need for greater investment in the inland waterways system is well established, Steenhoek stated in his testimony that “how you allocate money is just as important as how much money you allocate.” Steenhoek explained, “It is discouraging to observe how many other countries are able to construct their major infrastructure projects much more efficiently than we can. The Panama Canal expansion project is a great example. This \$5.25 billion project commenced in 2007 and is scheduled to be completed in late 2014 or early 2015. The expansion project is more imposing and complex than any project we have underway or planned in our inland waterway system, yet all indications are that the project will be completed within budget and only a handful of months behind schedule. Compare this to

our Olmsted Lock and Dam project that had an original cost estimate of \$775 million and has recently been updated to over \$3 billion with a significant time horizon remaining before it will be completed. When examining the various reasons for our repeated cost overruns and project delays, it quickly becomes evident that a major contributing factor is the piecemeal and unpredictable manner in which we finance these projects.”

Steenhoek concluded his remarks by encouraging subcommittee members to consider how “a predictably good inland waterway system is better than a hypothetically great one.” Because of our nation’s inability to simultaneously complete new lock projects and maintain our current lock projects, it may be necessary to prioritize being a better steward of our current system to keep it in a state of good repair. Doing so, Steenhoek suggests, would send a much better signal to those grain handlers who depend on a functioning lock and dam inventory.

To learn more about the STC, visit its Web site at www.soytransportation.org.

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Established in 2007, the Soy Transportation Coalition is comprised of eleven state soybean boards, the American Soybean Association, and the United Soybean Board. The goal of the organization is to position the soybean industry to benefit from a transportation system that delivers cost effective, reliable, and competitive service.