



SOY TRANSPORTATION COALITION WASHINGTON REPORT



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Legislation

Senate approves Water Resources Development Act. On May 15, the U.S. Senate passed its version of the Water Resources Development Act (WRDA) by an 83-14 roll-call vote. The Congressional Budget Office estimates the legislation would authorize \$12.5 billion over the next ten years. The House of Representatives does not yet have a companion bill, but Congressman Bill Shuster (R-PA), Chairman of the House Transportation and Infrastructure Committee, has indicated that WRDA is a top priority this year.

The legislation was introduced and managed by Sens. Barbara Boxer (D-CA), and David Vitter (R-LA), chairman and ranking member, respectively, of the Senate Committee on Environment and Public Works.

“I am gratified by the overwhelming vote on final passage of our WRDA bill,” Boxer said. “Getting 83 votes in favor when bipartisanship is missing in the Senate is very important. Now is the time for the House to act so we can ensure that the benefits of the bill are realized.”

Significant components of the bill include:

- 1.) An effort to ensure all funds generated by the Harbor Maintenance Tax are used as originally intended – the dredging and maintenance of the nation’s ports and waterways.

The Harbor Maintenance Trust Fund was established in 1986 and is funded via a 0.125 percent tax on the value of imports and domestic cargo arriving at U.S. Ports with federally maintained harbors and channels. The tax collects approximately \$1.8 billion annually. In establishing the Harbor Maintenance Trust Fund, there was an understanding that revenue generated from the tax would be spent on dredging and channel maintenance. Instead, about half is spent on such projects. The balance is spent on other discretionary projects that are unrelated to harbor maintenance.

The bill stipulates that, starting in 2014, the Army Corps of Engineers would have to spend at least \$1 billion of funds collected by the Harbor Maintenance Tax on port projects. This would increase by \$100 million each fiscal year until 2020, at which time 100 percent of the funds generated by the Harbor Maintenance Tax would be used for mandated purposes.

While there is a surplus of over \$6 billion in the account, that money has already been spent. To regain that surplus or even to get 100 percent of the trust fund revenue in future years for harbor maintenance, as stipulated in the Senate bill, it would require a reduction in spending in other areas. The Senate bill has not identified those spending reductions.

- 2.) Obliging the federal government to assume 100 percent of the costs for the delayed and over budget Olmsted Lock and Dam project – located on the Ohio River near its confluence with the Mississippi River. Currently, the Inland Waterways Trust Fund – a fund financed via a \$0.20 tax per gallon of diesel fuel

consumed by the barge industry – pays for half the cost of the Olmsted project. Olmsted Lock and Dam had an original cost estimate of \$775 million. The most recent cost estimate is \$3.1 billion – a 400 percent cost overrun. By shifting the burden for funding the Olmsted project to the general treasury, approximately \$750 - \$1 billion of future Inland Waterways Trust Fund money will be freed up for other lock and dam projects. The Senate bill does not specify how the general treasury would pay for the increased financial obligation of the Olmsted project.

The bill also directs the Government Accountability Office to study the Olmsted project and identify causes for its cost overrun.

- 3.) Streamlining the permitting of inland waterway projects by mandating that the environmental agencies involved in the process agree to a timeline for either approving or disapproving a potential project. If those agencies (Environmental Protection Agency, for example) do not meet the timeline, they could face fines of up to \$20,000 per day.
- 4.) The threshold for a major rehabilitation project to qualify for Inland Waterways Trust Fund matching funds would increase from \$14 million to \$20 million.

Because revenue generating measures must originate in the House of Representatives, the barge industry's proposed increase in the Inland Waterways Tax of six to nine cents per gallon was not included in the Senate bill.

While Congress is obligated to pass a Water Resources Development Act every two years, the last WRDA passed in November 2007 in an over-ride of President George W. Bush's veto.

Senate Bill Would Extend Truck Size Limits to All Highways. A bill was recently reintroduced by Senator Frank Lautenberg (D-NJ) to keep bigger, heavier trucks off all highways.

The Safe Highways and Infrastructure Preservation Act of 2013 would apply existing federal truck size and weight limits — a maximum of length of 53 feet with a weight of 80,000 pounds — to the entire national highway system. Currently, these restrictions only apply to interstate highways.

Companion legislation is sponsored in the House by Congressman Jim McGovern (D-MA).

The Soy Transportation Coalition released a study in July 2009, funded by the soybean checkoff, highlighting how allowing six axle semis loaded to 97,000 pounds would enhance efficiency while not negatively impacting motorists. The study can be found at www.soytransportation.org.

Administration

DOT Secretary Nominee Acknowledges Transportation Challenges During Confirmation Hearing.

President Barack Obama's nominee to be Secretary of the U.S. Department of Transportation promised to work with Congress to determine out how to fund U.S. transportation needs during a time of tight budgets.

"One of my goals would be to pull together a wide variety of stakeholders, both within the government and outside the government, to squarely address how we can build a consensus" on funding future infrastructure projects, Anthony Foxx, mayor of Charlotte, North Carolina, said at a May 22nd Senate Commerce, Science, and Transportation Committee hearing on his nomination.

During his testimony, Foxx avoided recommending any new revenue sources to pay for highways, bridges and other transportation infrastructure. He did endorse President Obama's idea of a creating a government "infrastructure bank" to leverage private investment capital.

To fund the nation's surface transportation system, Congress relies on the Highway Trust Fund in which revenue is generated via a federal fuel tax of 18.4 cents per gallon of gasoline and 24.4 cents per gallon of diesel fuel. As Americans have driven fewer miles over the past five to six years and as vehicles have become more fuel efficient, the Highway Trust Fund is increasingly ill-suited to address the nation's surface transportation needs.

If confirmed by the full Senate, Foxx would succeed Transportation Ray LaHood, a Republican and former member of Congress from Illinois. LaHood will remain as U.S. DOT Secretary until Foxx is confirmed.

"Ensuring that our transportation system is the safest in the world will be my top priority," Foxx said, adding that improving its efficiency and performance will be a second major focus.

Surface Transportation Board

New rules established to settle shipping disputes. The Surface Transportation Board (STB) has adopted final mediation and arbitration rules that establish a new arbitration program under which shippers and railroads may agree in advance to voluntarily arbitrate certain types of disputes with clearly defined liability limits in matters coming before the agency.

The changes to existing mediation rules establish procedures under which the STB may order parties to participate in mediation in certain types of disputes before the STB, on a case-specific basis.

The action reflects the STB's facilitation of alternative dispute resolution in lieu of formal agency proceedings, wherever possible. Changes to the arbitration rules are intended to consolidate and simplify formerly separate arbitration procedures and to encourage greater use of arbitration. In the new rules, the STB identifies specific types of disputes eligible for the new arbitration program and establishes clear limits on monetary amounts in controversy.

The STB's decision in Assessment of Mediation and Arbitration Procedures, EP 699, may be viewed and downloaded at the STB's website, www.stb.dot.gov.