



SOY TRANSPORTATION COALITION WASHINGTON REPORT



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Legislation

Congress seeks to complete WRDA. The House and Senate conference committee began discussions on November 20 in order to finalize a water resources bill with the objective of advancing it to President Obama by the end of 2013.

On October 23, the House of Representatives passed the Water Resources Reform Development (WRRDA), H.R. 3080 by a bipartisan vote of 417 to 3. This past May, the Senate approved its version of the Water Resources Development Act (WRDA) by a vote of 83-14. According to congressional procedure, the two versions must now be reconciled via a conference committee, comprised of representatives of the two chambers. Once a conference report has been completed, the legislation must be considered by both the full Senate and House of Representatives.

Congressman Bill Shuster (R-PA), Chairman of the House Transportation and Infrastructure Committee, stated in his opening remarks, "I am confident at the end of the day we can resolve our differences and achieve a successful conference report. At its heart, this conference is about ensuring that we don't lose sight of the importance of a strong infrastructure. I look forward to working together to support our water transportation network – to keep America competitive, provide a foundation for job growth, and foster a more robust economy."

Senator Barbara Boxer (D-CA), Chairman of the Senator Environment and Public Works Committee, said, "Chairman Shuster, Ranking Member Vitter, Ranking Member Rahall and I met to begin work on this critical conference. We had a productive discussion, and I am very optimistic we can come to an agreement and send this bill to the president's desk."

Some of the differences between the two versions pertaining to navigation include:

- **Harbor Maintenance Tax.** The Harbor Maintenance Trust Fund (HMTF) was created by Congress in 1986 to provide funding for harbor and channel dredging. Funds generated by the Harbor Maintenance Tax (a 0.125% ad valorem tax on imports) are deposited into the HMTF. Annually, only half of the funds deposited into the HMTF are actually utilized for harbor and channel dredging. The rest is appropriated by Congress for other, unrelated expenditures. The House version of WRRDA stipulates that, by the year 2020, 80 percent of funds deposited into the HMTF will be used for port maintenance. The Senate version would direct 100 percent of funds for intended purposes by the year 2020.
- **Olmsted Lock and Dam.** The Senate version completely "federalizes" Olmsted Lock and Dam so that funds generated by the Inland Waterways Tax are no longer applied to the over budget and long delayed project. The general treasury would assume the total cost to finish the project (about \$1.5 billion remains to be spent). The House version stipulates that the general treasury would be responsible for 75 percent of the project, with the Inland Waterways Trust Fund responsible for the remaining 25 percent.

- Congressionally-directed or Army Corps of Engineers directed. The House version provides more authority for the Congress to determine which projects are authorized. The Senate version contains a more prominent role for the Army Corps of Engineers' "Chief's Report" to establish the strategy or roadmap for which projects are authorized.

The Senate members of the conference meeting are as follows:

Democrats:

- Barbara Boxer (CA)
- Max Baucus (MT)
- Tom Carper (DE)
- Ben Cardin (MD)
- Sheldon Whitehouse (RI)

Republicans:

- David Vitter (LA)
- James Inhofe (OK)
- John Barrasso (WY)

The House members of the conference meeting are as follows:

Republicans:

- Bill Shuster (PA)
- John J. Duncan, Jr. (TN)
- Frank LoBiondo (NJ)
- Sam Graves (MO)
- Shelley Moore Capito (WV)
- Candice Miller (MI)
- Duncan Hunter (CA)
- Larry Bucshon (IN)
- Bob Gibbs (OH)
- Richard Hanna (NY)
- Daniel Webster (FL)
- Tom Rice (SC)
- Markwayne Mullin (OK)
- Rodney Davis (IL)
- Doc Hastings (WA)
- Rob Bishop (UT)

Democrats:

- Nick J. Rahall, II (WV)
- Peter DeFazio (OR)
- Corrine Brown (FL)
- Eddie Bernice Johnson (TX)
- Tim Bishop (NY)
- Donna Edwards (MD)
- John Garamendi (CA)
- Janice Hahn (CA)
- Rick Nolan (MN)
- Lois Frankel (FL)

- Cheri Bustos (IL)
- Grace Napolitano (CA)

Senator Lee, Congressman Graves introduce legislation to reduce federal role in transportation. On November 14, Senator Mike Lee (R-UT) and Congressman Tom Graves (R-GA) introduced the Transportation Empowerment Act, a bill designed to reduce the federal role in maintaining the nation’s surface transportation system and provide greater authority to the states.

The main features of the bill include: 1.) Transfers almost all authority over federal highway and transit programs to the states over a five-year period; 2.) Lowers the federal gas tax to 3.7 cents per gallon from 18.4 cents during the same period; and 3.) During the five-year phase out, states will receive block grants that come with fewer federal regulations.

The current transportation funding legislation, which is scheduled to expire on September 30, 2014, includes about \$54 billion in annual spending on road and transit projects.

The 18.4 cents-per-gallon federal gas tax only brings in about \$35 billion per year. Lawmakers filled the gap in the 2012 Moving Ahead for Progress in the 21st Century (MAP-21) bill by accessing a number of fee increases and trust fund sweeps.

The United States Highway Trust fund is the fund primarily responsible to finance the nation’s surface transportation system. The fund is comprised of three accounts: the Highway Fund, the Mass Transit Account, and the Leaking Underground Storage Tank Trust Fund. The Highway Trust Fund is financed via a federal fuel tax of 18.4 cents per gallon of gasoline and 24.4 cents per gallon of diesel fuel. The taxes are distributed as follows:

Gasoline:

- 15.44 cents – Highway Fund
- 2.86 cents – Mass Transit Account
- 0.1 cents – Leaking Underground Storage Tank Trust Fund

Diesel:

- 21.44 cents – Highway Fund
- 2.86 cents – Mass Transit Account
- 0.1 cents – Leaking Underground Storage Tank Trust Fund

Administration

Biden visits Panama Canal, urges U.S. to invest in infrastructure. Vice President Joe Biden toured the \$5.25 billion expansion of the Panama Canal on November 19 – a project he claims will bring more jobs and development to U.S. ports.

“Modernizing the canal, Mr. President, is an investment in your future, but it is also a consequential investment in the future of the United States of America,” said Biden in a joint news conference with Panamanian President Ricardo Martinelli. “It protects Panama’s unique place in the world economy as a new generation of massive container ships and tankers hits the high seas.”

The project, Biden said, has not only created jobs in Panama but also will spur more employment in the United States and “up and down the Americas.”

In the fall of 2011, the Soy Transportation Coalition released a white paper, examining the impact of the Panama Canal expansion on U.S. agriculture. According to the study, "Panama Canal Expansion: Impact on U.S. Agriculture," the canal expansion will allow ocean vessels to be loaded with an additional 500,000 bushels of soybeans for the export market, which will equate to an additional \$6-7 million in additional value per vessel. This increased efficiency of transportation will allow U.S. agriculture to remain competitive in the international marketplace.

The full study can be accessed at:

<http://www.soytransportation.org/newsroom/PanamaCanalExpansionImpactOnUSAg.pdf>.

Commerce Secretary outlines agenda focused on trade and investment. On November 14, Secretary of Commerce Penny Pritzker outlined the agency's new agenda, focused on trade and investment.

Among the new objectives are an updated National Export Initiative and a focus on public-private partnerships.

"On my first day in office, I hung a sign on the door to my office that says, 'Open for Business.' To me, that simple phrase captures it all," said U.S. Secretary of Commerce Penny Pritzker. "It demonstrates that the Commerce Department is focused on our most important customer, business leaders, and we are committed to creating the conditions necessary for U.S. companies to grow and hire. While we have more to do to put Americans back to work and lift incomes, our strong American businesses are positioned – more than ever before – to take the lead in the global economy. The Commerce Department and this Administration are committed to partnering with America's private sector as you continue to lead us to full economic recovery."

In the coming weeks, Secretary Pritzker will be announcing more details on each of the Commerce Department's priority areas.

After taking office in June, Secretary Pritzker embarked on a nationwide "listening tour," during which she visited 13 cities in 12 states and met with hundreds of business leaders and CEOs, entrepreneurs, thought leaders and Commerce employees. She has also engaged with foreign leaders and the international business community. The feedback that she received has helped to inform the areas the Department will focus on as it continues to provide the services that create the conditions for economic growth and job creation in the context of a more competitive global economy.

In 2012, the Department of Commerce established its Advisory Committee on Supply Chain Competitiveness – an initiative comprised of industry leaders with the goal of advising the department on ways to enhance the nation's transportation system. Mike Steenhoek, executive director of the Soy Transportation Coalition, is a member of the committee and the chairman of the finance and infrastructure subcommittee.