

## **“Back to the Future:” A Focus on Mon River Commerce**

***Jim McCarville***

*Executive Director*

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Three years ago, commercial and recreational river users were at each others' throats over the Army Corps of Engineers' operation and maintenance budget, according to Jim McCarville, executive director of the Port of Pittsburgh Commission.

“When the Corps has to perform deferred maintenance, it has no choice but to cut services, such as hours of operation,” McCarville said. “The hard truth is that the Inland Waterway Trust Fund is nearing insolvency.”

The Inland Waterway Trust Fund (IWTF) is derived from a 20-cent tax commercial waterway users – primarily towing firms – pay on every gallon of marine diesel they purchase. Currently, the fund underwrites 50-percent of the Corps' annual operation and maintenance (O&M) budget and new construction for the nation's system of locks and dams – including the 17 facilities located in the Port of Pittsburgh 12-county region in southwestern Pennsylvania. The remaining 50% is funded by annual Congressional appropriations.

“We're having some real problems with our locks and dams,” McCarville said. “For example, the Elizabeth Dam is 101 years old and was supposed to be removed 10 years ago. Maintenance on that facility has stopped because everyone knew it was going to be removed.”

But the Elizabeth facility is still in use, despite serious structural problems all too common among the locks and dams in McCarville's region. According to the Corps' grading system, three of those facilities recently have received grades of “F” and five were granted “D's.”

“And a lot of those ‘D's’ are bordering on ‘F's,’” McCarville said.

In the 1990s, both the Pt. Marion and Gray's Landing locks and dams were rebuilt “on time and on budget,” according to McCarville.

“Then the federal budget stopped being reliable and every year, we'd be faced with a low-ball budget from the President. So we'd go to Congress and they'd up it a little bit. The Corps would go into ‘full-speed ahead, half-speed ahead’ [on maintenance and construction projects] mode – and end up a little better than half-speed. But that constant starting and stopping threw chaos into the process.

“The cost of building has gone up significantly. The cost of building *efficiently* has been compromised by this constant starting and stopping,” he added.

McCarville explained that the federal government has proposed a \$50 per barge, per lock fee to supplement income currently derived from the fuel tax – a proposal proponents say will raise twice the annual revenue of the existing tax system.

“But look where locks and dams are located,” McCarville said. “On the Upper Mon, they're every 12 or 15 miles, so cargo moving through this area is traversing three, four or five locks. So now we're not talking about \$50 per barge, but as much as \$250 per barge. That's going to make us a whole lot less competitive [with other modes of

transportation] and will negatively impact our efforts to attract new industries to the area.”

McCarville said contacting Congressional representatives *before* the annual federal budget is set may help alleviate the Corps’ annual O&M budget woes.

“This year, the President’s budget allowed \$12.3 million for O&M and Congress was able to increase it to \$15.3 million. But we have \$11 million in deferred maintenance pending on facilities on the Upper Mon and it’s growing fast. We need \$23 million if we’re serious about addressing those maintenance issues,” he added.

“Fixing the ITFW is more complicated. We’ve heard that new [maintenance] contracts will not be renewed – which means we’re back to that ‘stop again, start again’ situation that drives costs up exponentially.

“The inland towing folks believe they’ve already paid for this maintenance through the marine fuel tax. It might be time for recreational users to step up and help pay.

“The only proposal that makes sense is to change the current 50/50 fuel tax/general revenue formula to a ratio of 75/25. That would allow sufficient funding to guarantee all work currently on-the-table or scheduled for the near future – like the next 20 years.

“We need to let our legislators know we support this change, and we need to work together to get the message across – recreational boaters, towing companies and municipalities who are interested in preserving the river as a low-cost mode of transportation.

“This will be a ‘heavy lift’ for Congress, but if we can get our Congressmen to understand just how broad the impact will be, I think we can get some good support from them.

“If we build these infrastructure projects, they’ll provide jobs now and jobs in the future. They’ll both stimulate the regional economy immediately and have long-term benefits.”