

July 28, 2020

Dear Members of the U.S. House of Representatives,

The farmers, ranchers, food and beverage manufacturers, processors, package suppliers and agricultural product marketers that comprise our memberships are dedicated to providing the safe, abundant and affordable food, fiber and feed required to ensure our country stays healthy and fed.

Because American agriculture's competitive advantage largely depends upon the quality, reliability, accessibility and cost-effectiveness of the national transportation system, our organizations commend Congress for consistently examining water infrastructure projects every two years and write today to urge your support of H.R. 7575, the Water Resources Development Act (WRDA) of 2020.

As you know, agricultural commodities move via truck, rail, barge and ocean-going vessels. Consistent and timely focus on the U.S. inland waterways transportation network is vital to agricultural stakeholders because 20 percent of a farmer's income depends on exports. Inland waterway barge transportation is the least expensive, most efficient and most environmentally friendly mode, and U.S. locks and dams help relieve congestion and wear-and-tear on highways as well as discipline rail rates.

With respect to U.S. port and inland waterways infrastructure, H.R. 7575 includes two notable provisions we wish to highlight. Both Section 101 concerning the Harbor Maintenance Trust Fund (HMTF) and Section 108 pertaining to inland waterways projects would positively affect the ability of our organizations' members to fulfill their role in the agricultural value chain to serve American farmers and domestic and global customers.

As you know, the intent of Section 101 of H.R. 7575 is to "unlock" the more than \$9 billion that's been collected and deposited in the HMTF by those that pay the 0.125 percent ad valorem tax based upon the value of cargo imports. The inability thus far to access and spend those dollars on much-needed port dredging further has eroded the United States' comparative transportation advantage and contributed to lost export opportunities to the detriment of U.S. economic growth. Our organizations strongly support Section 101, which would provide critical and overdue access to the existing balance in the HMTF so that these funds can be spent on dredging as intended.

In addition, we believe that adjusting the cost-share formula for inland waterway construction and major rehabilitation of navigation projects, as proposed in Section 108 of H.R. 7575, is a prudent policy that would help address a critical problem facing our inland waterways transportation system. As you know, the majority of U.S. locks and dams are operating on borrowed time, having long outlived their 50-year design life. Further, most are not of sufficient capacity to handle modern 1,200-foot barge tows, and others require more maintenance. Each of these factors costs shippers valuable time and resources.

Section 108 amends the cost-share formula for the construction and major rehabilitation of each inland waterways navigation project from the current 50 percent general revenue and 50 percent Inland Waterways Trust Fund (IWTF) funding to 65 percent general revenue and 35 percent IWTF. The policy is a step in the right direction that would expedite completion of such projects and help bring the U.S. inland waterways transportation system into the 21st century. For these reasons, we support making permanent the cost share formula adjustment in H.R. 7575 to provide certainty for these projects, which reduces construction costs.

Our organizations strongly support passage of H.R. 7575 because Section 101 and Section 108 would enhance U.S. agriculture's competitiveness, contribute to the overall efficiency of the U.S.

transportation system, and promote overall U.S. economic growth and job creation. We urge you to support and approve this critical infrastructure bill so that negotiations can proceed with the Senate with the goal of enacting a new WRDA law in 2020.

Sincerely,

Agricultural and Food Transporters Conference
Agricultural Retailers Association
Agriculture Transportation Coalition
American Farm Bureau Federation
American Soybean Association
American Sugar Cane League
Corn Refiners Association
Farm Credit Council
Florida Sugar Cane League
Institute of Shortening and Edible Oils
National Aquaculture Association
National Association of Wheat Growers
National Cattlemen's Beef Association
National Corn Growers Association
National Cotton Council
National Council of Farmer Cooperatives
National Grain and Feed Association
National Milk Producers Federation
National Oilseed Processors Association
North American Millers' Association
North American Renderers Association
Specialty Soya & Grains Alliance
The Fertilizer Institute
United Fresh Produce Association
USA Rice
Waterways Council, Inc.
Western Growers