

Key Issue of American Soybean Association: Transportation

PRECONSTRUCTION ENGINEERING AND DESIGN (PED) OF NESP PROJECTS

ASA supports \$10 million for Preconstruction Engineering & Design (PED) of Navigation Ecosystem Sustainability Program (NESP) projects, which includes locks and dams on the Upper Mississippi & Illinois system. The PED funding is provided outside of the Inland Waterways Trust Fund and is necessary so that the NESP projects, including construction of new locks and dams on the Upper Mississippi & Illinois River systems can begin when it is their turn in the queue (around 2024).

INLAND WATERWAYS AND TRUST FUND (IWTF) / LOCKS AND DAMS

Over the past several years, Congress has passed Water Resources Development Act (WRDA) legislation biennially. WRDA is the federal vehicle used to authorize projects and implement policy changes that impact American ports, harbors, and inland waterways. Since the 2014 WRDA, increases in the barge fuel fee and increases in annual appropriations have served to reduce the timeframe for completion of the long-standing, currently authorized inland waterways projects. Additionally, since 2014, the annual Energy & Water appropriations bill has provided increased and record funding levels for the IWTF and U.S. Army Corps of Engineers (USACE) Operations & Maintenance accounts. The IWTF is funded by a 29 cent per gallon barge fuel fee, which is paid by industry, including soybean farmers. The IWTF revenues are matched with funds from the general Treasury for a 50/50 cost-share of projects. In recent years, Congress has changed the cost share ratio for specific projects to 85/15 or 75/25 to accelerate their funding and completion. ASA believes that shifting the cost share to even a 65-35 ratio would ensure the IWTF continues operating at the same funding level that has been achieved the last six years and could enable currently authorized projects to be completed in a more rapid timeframe. The global competitiveness of U.S. soybeans would benefit from this additional federal investment to accelerate the completion of inland waterway infrastructure projects.

EXPANDED DREDGING OF THE MISSISSIPPI RIVER CHANNEL

ASA applauds Congress and the U.S. Army Corps of Engineers (USACE) for prioritizing the deepening of the Mississippi River Ship Channel (MRSC). ASA appreciates federal support of this project, which will significantly benefit the competitiveness of the U.S. soybean industry and individual farmer profitability when complete. This dredging project, which officially commenced on July 31, 2020, is the result of strong partnerships among USACE, the state of Louisiana, soybean farmers, and a large coalition of stakeholders. The 256-mile stretch of the Mississippi River from Baton Rouge, Louisiana, to the Gulf of Mexico accounts for 60% of U.S. soybean exports, along with 59% of corn exports—easily the top export region for both commodities. Soy Transportation Coalition research highlights that when the MRSC is dredged to 50 feet, shipping costs for soybeans from Mississippi Gulf export terminals will decline 13 cents per bushel (\$5 per metric ton). This is because a deeper river allows both use of larger ships and current ships can be loaded with more revenue-producing freight. Even soybean-growing states further from the river will benefit from increased modal competition between rail and barge.

Position of American Soybean Association (retrieved from: <https://soygrowers.com/key-issues-initiatives/key-issues/transportation/> January, 2022)