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Thank you, Chairwoman Napolitano and Ranking Member Westerman. I appreciate the opportunity to testify today on behalf of the National Corn Growers Association (NCGA). NCGA represents nearly 40,000 dues-paying corn farmers and the interests of more than 300,000 farmers who contribute through corn checkoff programs in their states.

My name is Kevin Ross. I am a sixth-generation Iowa farmer, where my wife Sara and I grow corn, soybeans and alfalfa, as well as raise cattle. I am also the First Vice President of NCGA. My farm sits about 20 miles east of the Missouri River.

America's corn farmers need reliable means of moving our crops to customers, whether it's to livestock feed yards, grain elevators, the ethanol plant, or ports for export.

Farmers use many modes of transportation, with the inland waterway system being a vital artery of transportation for our products, especially for farmers in the Midwest.

With 12,000 miles of commercially navigable channels and more than 240 lock sites, inland waterways allow our nation's corn growers to move their product to and from 38 states including Alabama, Illinois, Iowa, Minnesota, Missouri, Ohio, Tennessee, and Wisconsin as well as internationally through the Mississippi, Missouri, Illinois, and Ohio Rivers. Moving our product through the inland waterways system allows us to transport our product in a way that is beneficial to both the economy and the environment.

Given that more than half of corn exports are transported via the inland waterways system, continuing to invest in this system is critically important to our competitiveness and livelihoods. Much of the physical infrastructure is aging and in need of improvements. For example, commercial navigation locks typically have a design life of 50 years, yet by the end of 2020, 78 percent of U.S. locks will have outlived that designated lifespan. While volumes of grain, ethanol, and by-product exports increase, the efficiency of the locks decrease. Barge tows must split into two because the lock chambers aren't large enough to accommodate them. Efficiency lags cost money, which flows down to the farmer in the form of lower prices for our corn.

By one estimate, America's transportation deficiencies will cost U.S. agriculture \$1.3 billion in exports because our current infrastructure system increases the cost of the production process and makes access to markets more expensive.

Continued low commodity prices and consecutive years of declining farm income, coupled with recent trade disruptions and the aging infrastructure system of locks and dams are taking a toll on farmers. The United States is the world's largest exporter of corn, shipping more than 2 billion bushels overseas last year, but we face tough competition from Brazil and Argentina. The majority of corn exports are shipped through the inland waterway system with 54 percent of corn exports being transported by barge, according to a recent USDA Agricultural Marketing Service report. Transportation efficiencies and costs are a major variable keeping our farmers competitive in overseas markets. Every market counts and we need to be able to compete.

Investing in lock and dam upgrades their operation and maintenance to ensuring an efficient inland waterway system is a major NCGA infrastructure priority. NCGA has identified 25 locks and dams that are in need of upgrades and repairs. We urge special attention to the Navigation and Ecosystem Sustainability Program (NESP). The 2007 WRDA bill first authorized NESP as a long-term program of navigation improvements and ecological restoration for the Mississippi River System. NESP allows the U.S. Army Corps of Engineers to increase capacity at seven key locations, while also investing in ecosystem improvements along the river systems. The Upper Mississippi River is generally where most grain export originates. Modernizing these seven locks will increase the efficiency of the inland waterways transportation system, which means that the cost of transportation will decrease, and keep farmers like myself competitive in foreign markets. This program promotes collaboration between agriculture, trade, organized labor and conservation groups to work together to build new locks and dams on the Illinois and Mississippi Rivers, supporting the more than half-million jobs that depend on the inland waterways.

We realize the infrastructure upgrades we seek have a cost. Established public private partnerships in our waterways have been a success story.

A strong partnership between the Army Corps of Engineers and commercial operators through the Inland Waterway Trust Fund, allow commercial users of the inland waterway system to contribute substantial revenues for rehabilitation and modernization of the system. The revenues are generated through a tax collected as a levy on fuel used in commercial transportation on the inland waterways at \$.29 cents-per-gallon. These revenues are placed in the Inland Waterways Trust Fund and matched with public funds for capital improvements on infrastructure. This partnership is what helps make the inland waterway system such an efficient and viable way to

transport our product to market. While there is success in other toll-based partnerships in transportation programs, there is a significant difference in the waterways system. Unlike the highway program, where users have the choice to use a tolled or un-tolled facility, waterway users would be faced with no choice. The result would be moving product by other modes. Production agriculture would be negatively impacted as family farmers living upstream would be tolled doubled, once for the fertilizer that they use comes upstream, and then transporting export crops to market on the waterways. Studies have shown that farmers could potentially have to pay approximately \$31.5 cents per-bushel in toll fees, which would force the transportation of grain onto other modes leaving less transportation options for the family farmer, compounding our current road and railway system. We must maintain and invest in the future of our waterway system, amplifying our advantage instead of continuing to watch its slow erosion.

On behalf of the National Corn Growers Association, I am grateful for this subcommittee's support for farmers and the other users of the inland waterway system. We appreciate the opportunity to provide input into today's discussion and stand ready to work with you and serve as a resource for further discussions regarding water transport. Again, thank you for this opportunity, I look forward to your questions.