



PRESS RELEASE

**For immediate release
August 13, 2013**

Press Contact

Andrew Ranallo
Communications Associate, IATP
(612) 870-3456
andrew@iatp.org

About IATP

Institute for Agriculture and Trade Policy works locally and globally at the intersection of policy and practice to ensure fair and sustainable food, farm and trade systems. IATP is headquartered in Minneapolis, Minnesota with an office in Washington D.C.

Tax dollars subsidizing destruction of Upper Mississippi River

Time for Congress to focus on river health, not corporate welfare

MINNEAPOLIS – The locks and dams on the Upper Mississippi River have significantly damaged—and continue to degrade—the Mississippi River. This infrastructure is the most heavily subsidized of all the private transportation industries and it is one of the most environmentally damaging.

The Institute for Agriculture and Trade Policy (IATP) joins a coalition of river health advocates in calling on Congress to use taxpayer dollars to restore the river and the economic benefits it provides to local economies and the country instead of subsidizing the destruction of critical ecosystems. A new report by experts from the Nicollet Island Coalition, a group of conservation and economic organizations working in the Upper Mississippi River basin, outlines how to accomplish this.

“Restoring America’s River provides Congress with a roadmap for reversing the damage done to the Upper Mississippi River,” says Olivia Dorothy, regional conservation coordinator for the Izaak Walton League of America and the report’s main author. *“Our goals are to bring navigation subsidies in line with other U.S. transportation sectors, invest tax dollars in ecosystem restoration instead of destruction, and fix the Corps’ planning process.”*

Release of the report coincides with debate in Congress on the 2013 Water Resources Development Act. This legislation governs Army Corps of Engineers operations, including work on the Upper Mississippi River. The Senate passed their version of the bill in May 2013 and House leaders vowed to take up the measure after the August recess.

“The Corps’ planning process is in dire need of a complete overhaul,” said Rachel Dawson, legislative representative at the National Wildlife Federation. *“Congress should require the Corps to use the most up-to-date science and strategies for managing the Mississippi River. Unfortunately, the recent Senate water bill includes so-called ‘reforms’ that stifle public input and roll back protections for the environment. We urge the House to take a more forward-thinking view.”*

Ending subsidies for ecosystem destruction

In 2012, the shippers and barge companies contributed a paltry 10 percent toward the cost of the Inland Waterways Navigation System—just \$80 million of the \$800 million needed to keep the system running each year. Few other American businesses receive such a generous tax payer subsidy of their expenses.

Other U.S. transportation sectors contribute much more toward infrastructure costs. For example, 70 percent of the cost to maintain roads and highways is paid through taxes on fuel and truck parts. The cost to maintain commercial freight lines is paid in full by railroad companies and receives no direct taxpayer support. It is time to level the playing field and let markets function more efficiently.

Yet the barge industry is working to push even more of their costs onto taxpayers. “The barge industries and its allies are looking to be bailed out of the financial responsibilities for improvements necessary for their businesses to operate,” says Josh Sewell, Senior Policy Analyst at Taxpayers for Common Sense. Congress must shift taxpayer dollars away from unnecessary infrastructure projects and focus instead on restoration investments.

Restoring the Upper Mississippi River

The 29 locks and dams built on the Upper Mississippi to facilitate barge traffic transformed a free-flowing river into a series of stagnant pools. This has led to degradation of ecosystems along the entire Upper Mississippi River and made it harder for the river to clean itself of pollutants and nurture fisheries.

To restore the river, Congress authorized the Upper Mississippi River Restoration Program in 1986, which has been under-funded by about 33 percent every year. “Restoration on the Upper Mississippi River is being nicked and dined while hundreds of millions of tax dollars are subsidizing ecologically destructive barge transportation,” said Glynnis Collins, executive director of Prairie Rivers Network, the Illinois affiliate of the National Wildlife Federation. “Decades of degradation must be reversed by investing in meaningful habitat improvements.”

Calculating true costs and benefits

Restoring the Upper Mississippi will take more than pulling the plug on barge subsidies. The Corps still uses a planning process developed in 1983, which does not account for the value of healthy ecosystem such as water purification, flood storage, or wild-life habitat when calculating costs and benefits. The economic models used by the Corps also do not reflect realistic budgets, as evidenced by cost overruns exceeding 200 percent for many projects.

Corps decision-making must include the economic value of natural resources. Too many large, expensive construction projects with marginal or no economic benefit are being considered without consideration of the true costs of such projects.

“Naturally functioning floodplains shouldn’t be thought of as economic losers,” said Denny Caneff, executive director at River Alliance of Wisconsin. “Native perennial crops can accommodate flood pulses, and many restored areas can be used for recreation and eco-tourism.” Small-scale and non-structural measures can also provide flood protection, clean water and healthy ecosystems while protecting taxpayers’ wallets.

The full list of recommendations in the Restoring America’s River report will help restore both the Upper Mississippi River and America’s economy. The report is available online at www.iwla.org/restore.

###

The Nicollet Island Coalition is a diverse group of conservation and taxpayer advocate organizations working to restore the ecological diversity of the Upper Mississippi River while maintaining navigation infrastructure through sound economic decisions.

Members of the Nicollet Island Coalition

Izaak Walton League of America, Institute for Agriculture and Trade Policy, Missouri Coalition for the Environment, National Wildlife Federation, Prairie Rivers Network, River Alliance of Wisconsin, Sierra Club, and Taxpayers for Common Sense

<30>