

**Summary Minutes
Inland Waterways Users Board Meeting No. 46
February 19, 2004
Washington, DC**

Opening Remarks

Executive Secretary Mr. Norman Edwards called the meeting to order at 9:00 AM, noting that it was a Sunshine Meeting and as such it was open to the public and recorded as a matter of public record.

Board Chairman Mr. Gerald Brown welcomed everyone to Washington and then turned the meeting over to MG Carl Strock, the Director of Civil Works and Executive Director of the Board. MG Strock introduced the Federal Observers who were present, Mr. Alan Bunn of the National Oceanographic and Atmospheric Administration, Mr. Nick Marathon from the Department of Agriculture, and Mr. John Paul Woodley, Jr., Assistant Secretary of the Army for Civil Works. MG Strock then invited Mr. Woodley to make a few remarks.

Mr. Woodley discussed the President's Budget, noting that it reflected the priorities of a nation at war. He particularly noted that the budget contains no proposal to spend Inland Waterways Trust Fund monies for operations and maintenance. He also said that he has visited many of the waterways in his six-month tenure as Assistant Secretary and is aware of the challenges presented by aging infrastructure and limited budgets.

MG Strock then made his opening remarks, stating that the budget in 2004 focuses on completing priority projects that are already underway. Navigation is a high priority for the Corps, comprising 40% of the total budget, and is regarded as a critical component of the nation's economic strength and national security. MG Strock also discussed the Corps 2012 reorganization and the efforts towards performance-based budgeting.

MG Strock concluded with strong support for the Inland Waterways Users Board 'model', in which representatives of the industry that pay into the Inland Waterways Trust Fund have a voice in the decisions on how the money is spent to improve the waterways.

Review and Approval of Minutes of Meeting No. 45

The minutes of Meeting No. 45 were approved as written.

Status of the Inland Waterways Trust Fund

Mr. David Grier provided a report on the status of the Inland Waterways Trust Fund. The balance at the end of December 2003 was \$412.2 million. Revenues in 2003 were 6 % less than the previous year.

Mr. Grier then presented a Trust Fund Analysis that projected various construction funding scenarios into the future and summarized the impact of these on the Inland Waterways Trust Fund.

FY2004/2005 Funding for Inland Navigation Projects and Studies

Mr. Gerry McCrory distributed and discussed tables containing FY2004 and 2005 funding for inland navigation projects and studies. He pointed out the funding crisis at the McAlpine project and the efforts to keep that project going.

2004 Board Investment Recommendations and Annual Report

A draft report had been developed and circulated among Board members prior to the meeting. Chairman Brown summarized how the Board has restructured the Annual Report, highlighting some projects as Capstone Activities, and also considering the Operations and Maintenance situation on the inland waterway system. MG Strock said that he shares the Board's concern about O & M and the Corps is doing its best to meet the needs.

Mr. Brown invited members to submit photos for inclusion in the report that illustrate some of the current infrastructure problems, and send any final comments to him by email.

Public Comment Period

Mr. Chris Brescia of MARC2000 commended the Board for timing their report to have maximum impact on the budget. He also reinforced the priority of the Upper Mississippi River Study.

Mr. John Doyle of the Waterways Council, Inc. spoke in support of a higher funding level for the Corps of Engineers. He recommended a target Inland Waterways Trust Fund expenditure of \$150 million per year. He also suggested that a Benefits Foregone table be included in the Board's report, and asked for assurance that all of the appropriated funds are actually spent as intended. He expressed concern that some funds were being reprogrammed away from the Olmsted project.

Mr. Barry Palmer of the Waterways Council, Inc. expressed support for Mr. Doyle's comments. He stated that we are losing ground on maintenance, and he is concerned about failures on the system due to lack of critical maintenance.

Ms. Worth Hager of the National Waterways Conference described her organization's efforts to bring the problem to the forefront in Congress and pledged to publicize the IWUB report when it is finalized.

Closing Comments

Mr. Norman Edwards noted that Mr. Larry Daily will be leaving the Board after this meeting. MG Strock and Chairman Brown both thanked Mr. Daily for his service to the Board.

The meeting was adjourned at 10:20 AM.