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before the

Senate Finance Subcommittee on International Trade, Customs, and Global Competitiveness

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Chairman Cornyn, Ranking Member Casey, and Members of the Subcommittee, I thank you for the opportunity to testify before you today on “Trade and Commerce at U.S. Ports of Entry.” My testimony will focus on the importance of ports and the inland waterways transportation system, and their importance to our national economy, trade and competitiveness.

I am Executive Director of the Port of Pittsburgh Commission, located in Pittsburgh, Pennsylvania. In order to create jobs and improve the quality of life in southwestern Pennsylvania, it is the mission of the Port of Pittsburgh Commission to promote the commercial use and development of the inland waterway-intermodal transportation system and to integrate that system into the economic, recreational, environmental and intermodal future of the residents and industries of southwestern Pennsylvania.

Founding Fathers’ Vision

From the United States’ founding, even before the U.S. Constitution was adopted, the inland waterways system was recognized as an invaluable natural asset. President George Washington wrote 225 years ago:

“Prompted by these observations, I could not help taking a more contemplative and extensive view of the vast inland navigation of these United States, from maps and the information of others; and could not but be struck with the immense diffusion and importance of it, and with the goodness of that Providence, which has dealt her favors to us so profuse a hand. Would to God we may have wisdom enough to improve them.” Due to the bounty of our Nation’s geography, we remain blessed with the world’s preeminent inland waterways transportation and port system. There are 12,000 miles of navigable inland and intra-coastal waterways transporting more than 550 million tons of cargo valued at \$300 billion (2016).

The Port of Pittsburgh handled 22.5 million tons of cargo in 2016. This included 15 million tons of coal and over 1 million tons of petroleum products. Another 5 million tons was comprised of sand and gravel and other basic building materials. Because cargo must pass through several locks as it moves through the port, our locks are quite busy, locking through an annual average of 100 million tons of cargo or about 130,000 barges.

To keep the “building block” commodities --agricultural and energy products, building materials, and over-sized cargoes such as NASA rocket boosters or the pre-fabricated components of a \$6 billion ethylene cracker plant being built in western Pennsylvania -- moving on the waterways, there are 219 locks and 176 sites on the inland system. These locks and dams allow users of all types -- commercial and recreational -- to navigate their transit across the system while being assured that the depths those users require are available.

Beyond enabling commercial and recreational transportation, the inland waterways provide flood control, enable stable water supply for communities and industries, facilitate hydroelectric power, offer recreation such as fishing and water sports, enhance regional economic development, and secure our national defense. The ports and inland waterways also provide one of the best returns on investment, generating \$10 in annual net economic benefits to the Nation for every \$1 expended by Corps of Engineers' Civil Works Mission projects. (*source: U.S. Army Corps of Engineers*) According to the International Trade Administration, Pennsylvania has 176,000 jobs that are supported by exports, ranking 11th among all states.

America's inland waterways system is number one in the world, but is not without its challenges, as international competitors continue to improve their systems and facilities. More than half of the locks and dams on the U.S. inland waterways are past their 50-year design life, with most locks and dams built in the 1930s under The New Deal of President Roosevelt. In fact, Pittsburgh has some of the oldest locks and dams in the Nation. Some system segments, particularly older portions located on the Upper Mississippi, Illinois and Tennessee Rivers, rely on antiquated 600-foot-long locks that are unable to accommodate today's standard 15-barge tows, impacting shippers' efficiency and competitiveness to reach the world stage.

Our locks and dams, and our ports, require attention and financial recapitalization for operations and maintenance, dredging, and channel and harbor improvements to maintain reliability and sustain our Nation's economic well-being and standard of living.

American, Pennsylvania Competitiveness

Currently, there are 25 high priority inland projects either underway or awaiting construction on the inland waterways system. A top priority project is the Lower Monongahela Locks 2, 3 and 4, located in my backyard of Pittsburgh. This project will replace three nearly 100-year old locks and dams. The problem is that the process to construct lock and dam projects in three to six years -- as they were built in the 1930s-1940s -- today takes decades. The Lower Mon project is going on its 24th year of construction, a project that should have been completed in 10 years. Not only are we in the 24th year of a 10-year project, the project will come in under-delivered with only one reliable lock chamber being completed. The initial project cost was \$750,000,000, with an estimated completion date of 2004, and the current cost is now \$1,230,000,000, with an estimated completion date of 2023. The estimated cost to complete the entire project, which includes a second lock chamber and a railroad bridge modification, would come in at a cost of \$2,760,000,000 and a completion date in the year 2061. For Pittsburgh and America to stay competitive in foreign markets, we must get back to constructing navigation projects in less than five years. The Upper Ohio Navigation Study has been going on for 17 years at a cost of over \$19.5 million thus far. It is now on its third iteration of the study. Each year the project is delayed costs the region \$1.29 billion in economic loss. A major failure on the Upper Ohio River would shut down the entire Port of Pittsburgh.

New industries are coming to Pittsburgh, such as the Shell Chemical Appalachia Cracker plant. This plant will support 600 permanent jobs and will utilize 6,000 construction workers. It will

consume 105,000 barrels of ethane per day, and produce 1.6 million tons of polyethylene pellets per year.

The waterways truly deliver for southwestern Pennsylvania, for the Ohio Valley region, and the Nation. But the current rate of investment means that many of the priority projects will not begin construction within the next 20 years, as our foreign competitors outspend us to modernize their infrastructure to get ahead.

As this Subcommittee continues to consider trade and commerce in the United States, I urge you to appreciate the conduit of the inland waterways and port system to American competitiveness and growth. Modernizing our ports and rivers is an investment in our Nation's continued economic prosperity because grain, petroleum, steel, chemicals, building materials and over a half-million jobs are riding on our waterways transportation system and through our ports.

This concludes my testimony, Mr. Chairman. Thank you for providing this opportunity to be here today to address this critically important subject.

Figure 1 - U.S. National Defense is still a critical role of the inland waterways. Shown here, military equipment transits through Kentucky Lock, 2018



Figure 2 - The M/V Big Eddie of Crosby Marine is seen at Monaca, PA (Mile 27.9 of the Ohio River) on May 30 with a deck barge carrying a large refiner vessel for the Shell Oil Corporation ethylene cracker plant under construction. Shown here are pumps

*used to level the barge for unloading, and the heavy-duty flatbed carrier to transport the equipment to the construction site.
(Photo by Eric M. Johnson, Waterways Journal)*



Figure 3 - Braddock Dam being floated up the Monongahela River on July 26, 2001



Figure 4 - Elizabeth Lock dewatered revealing its deteriorated condition



Figure 5 - The Port of Pittsburgh is able to support growth industries such building of new barges



Figure 6 - The Port of Pittsburgh even supports such industries as luxury river cruise lines

