

The Upper Mississippi Inland Waterway (UMIW) is a vital part of our national inland navigation system and economy. In order to enhance partnership opportunities along the UMIW, a review of potential governance frameworks and revenue generation was conducted and opportunities to enhance partnerships were identified.

## GOVERNANCE

The Iowa Department of Transportation and the U.S. Army Corps of Engineers (USACE) could develop a government-to-government partnership under Iowa and Federal Law. This partnership could take two potential forms which could include:

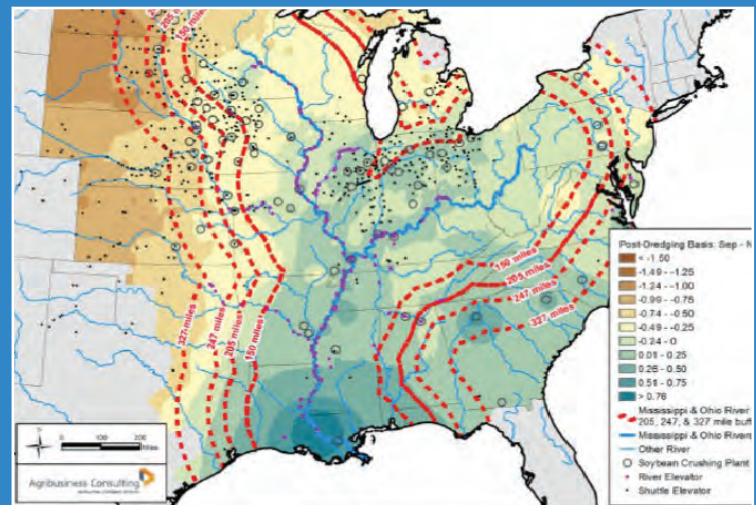
- ✓ Project Partnership Agreement using contributed funds,
- ✓ And Section 408 approval with turn back to USACE for operation and maintenance.

Under current Iowa Law, there are potential opportunities to create a regional “Mississippi River Port Authority”. The ability to create such an Authority exists under Iowa Code 28J & 28K, which dictates what Port Authorities are allowed to spend on, how they can spend their money, how they do contracting, and how they raise revenue. In order for a new Port Authority to succeed, modifications to the current code may be required, which include:

- ✓ The ability to utilize alternative delivery methods such as design-build;
- ✓ The ability to implement operational and maintenance flexibility through long-term operation and maintenance contracts;
- ✓ The ability for the federal or local owner to generate revenue to make availability payments to P3 concessionaire;
- ✓ Or a method for P3 concessionaire to charge user fees or generate other income from the project operation to provide the desired return on investment.



US Army Corps  
of Engineers



The 2014 Water Resources Reform and Development Act provides potential opportunities to enhance governance and partnerships. There are several studies and programs that are awaiting appropriation from congress and guidance from USACE.

### SECTION 2004(a)

Inland Waterways Construction Bond Study

### SECTION 2004(b)

Potential Revenue Sources for Inland and Intracoastal Waterways Infrastructure Study

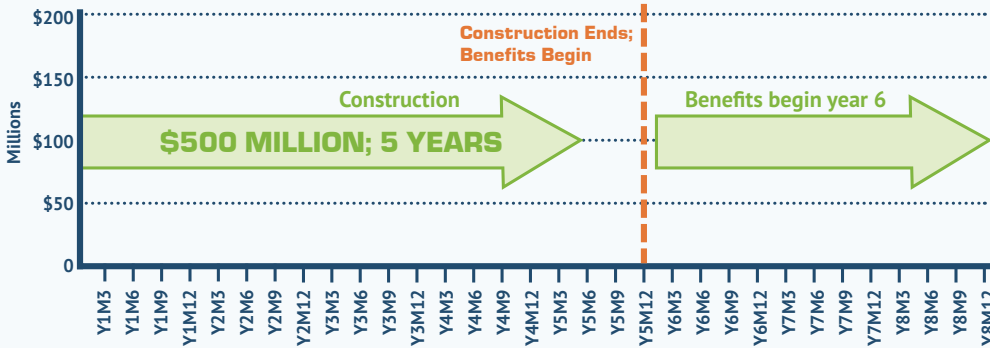
### SECTION 5014

Water Infrastructure Public-Private Partnership Pilot Program

The Soy Transportation Coalition released a study in April 2018 entitled “Predictable Funding for Locks and Dams.” The report illustrates that the same project can cost considerably more if it is not funded in a consistent manner.

**PREDICTABLE AND RELIABLE FUNDING APPROACH:**

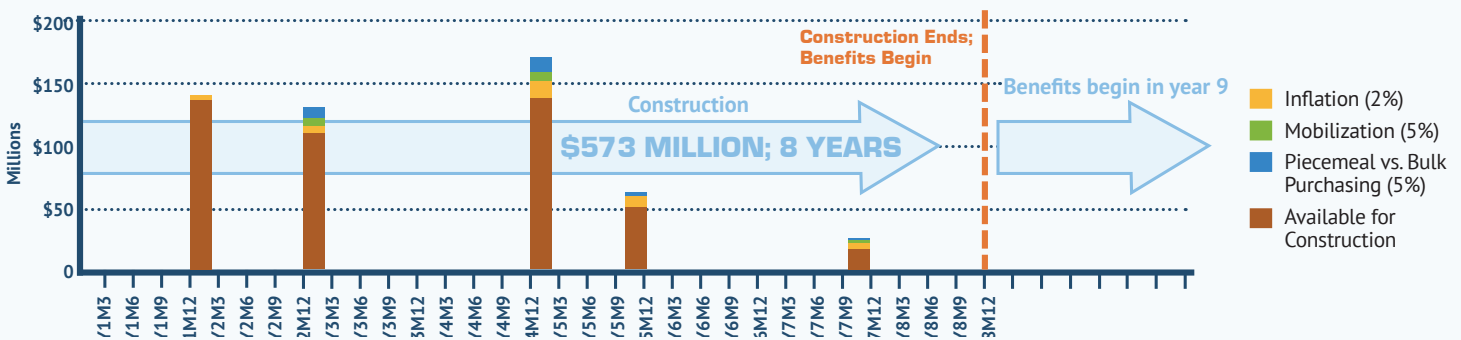
Lower Costs; Greater Benefits



\$500 million was provided up front. Construction was completed in five years without delay. Inputs were purchased in bulk or secured up front. No inflation or repeated mobilization costs.

**CURRENT UNPREDICTABLE AND UNRELIABLE FUNDING APPROACH:**

Wasting Taxpayer Dollars; Delaying Taxpayer Benefits



| Time            | Allocation     | Inflation     | Mobilization Costs | Piecemeal vs. Bulk Purchasing | Available for Construction |
|-----------------|----------------|---------------|--------------------|-------------------------------|----------------------------|
| Year 2 Month 1  | \$150.0        | \$3.0         |                    |                               | \$147.0                    |
| Year 3 Month 1  | \$140.0        | \$5.6         | \$7.0              | \$7.0                         | \$120.4                    |
| Year 5 Month 1  | \$180.0        | \$14.4        | \$9.0              | \$9.0                         | \$147.6                    |
| Year 5 Month 12 | \$70.6         | \$7.1         | \$3.5              | \$3.5                         | \$60.0                     |
| Year 7 Month 11 | \$32.7         | \$4.4         | \$1.6              | \$1.6                         | \$25.0                     |
| <b>Total</b>    | <b>\$573.3</b> | <b>\$34.5</b> | <b>\$17.6</b>      | <b>\$21.2</b>                 | <b>\$500.0</b>             |

Source: Soy Transportation Coalition. 2018. A Recipe for Cost Overruns and Project Delays: STC Research Highlights Nation’s Approach to Funding Locks and Dams. [http://www.soytransportation.org/newsroom/PressRelease\\_PredictableFundingForLocksAndDams%20\\_4-16-18.pdf](http://www.soytransportation.org/newsroom/PressRelease_PredictableFundingForLocksAndDams%20_4-16-18.pdf)

**REVENUE GENERATION**

Based on the above referenced study, enhancing the UMIW will require steady and consistent financing to realize economic benefits of an enhanced waterway. Potential revenue ideas that require further evaluation include:

- Gas tax from non-commercial industry
- Charging tolls to non-commercial vessels
- Assessing fees for water use
- Hydro power revenue
- Regional sales or property tax