



For Immediate Release
April 12, 2012

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THE GOLDEN FLEECE AWARD



Golden Fleece awarded to Riverboat Ripoff Whitfield Bill Increases Subsidies for Inland Waterway Industry

Washington, DC - Today, Taxpayers for Common Sense awarded the Golden Fleece to Rep. Ed Whitfield (R-KY) for introducing H.R. 4342, the *Waterways Are Vital for the Economy, Energy, Efficiency, and Environment Act of 2012 (WAVE4 Act)*. This legislation would codify recommendations made by barge operators to increase the federal subsidy for inland waterway construction projects on the nation's rivers.

"While the rest of the country is trying to find ways to trim the fat, Congressman Whitfield is trying to pad the wallets of barge companies," said Ms. Ryan Alexander, president of Taxpayers for Common Sense. "Now that the space shuttle is retired, inland waterways are the most heavily subsidized form of transportation, but they still want more. That makes us shake our heads. This riverboat ripoff is a Golden Fleece."

Operation and maintenance costs of the inland waterways system are fully subsidized by the taxpayer. Currently, construction improvements to the navigation locks and dams are funded half by the treasury and half by a 20 cents per gallon tax on the diesel fuel used by commercial towboats on the system. All told, approximately 90 percent of the inland waterways costs are borne by federal taxpayers.

H.R. 4342 would shift even more of the funding burden onto the treasury. While inland waterways users are agreeing to a six cent tax increase on diesel fuel, they are redefining the cost sharing rules to shift all major maintenance costs, all dam construction costs, and any potential cost overruns onto the federal treasury. Navigation locks are essentially doors through the dam to allow traffic to move up and down the river. Cost overruns are very common with Corps of Engineers projects.

"Even if the country wasn't staring down the barrel of a \$1.2 trillion deficit, this would be a preposterous proposal," explained Alexander. "You can't have a lock without a dam, so saying you'll pay for one without the other ignores basic physics. And sticking taxpayers with the full

cost of any overruns would put inland navigation projects in an exalted status not seen elsewhere in the federal government."

Taxpayers for Common Sense has testified on this proposal and advocated for cost-sharing of operations and maintenance costs, prioritizing construction projects, and decommissioning low performing waterways as methods to deal with the needs of the inland waterways system in a fiscally responsible manner.

The Golden Fleece award was created in 1975 by the late Sen. William Proxmire. It is intended to highlight instances of wasteful spending. After retirement, Sen. Proxmire served as Honorary Chairman of Taxpayers for Common Sense's Advisory Board and passed the mantle of the Golden Fleece to the organization in 2000.

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