

United States Senate

WASHINGTON, DC 20510

July 17, 2003

The Honorable George W. Bush
President of the United States
The White House
Washington, DC 20500

Dear Mr. President:

We write to you today to express our deep concern over inadequate funding of the United States Army Corps of Engineers (USACE) budget for critical Oregon infrastructure projects. Year after year, the Office of Management and Budget (OMB) sends its budget request to the Congress with inadequate overall funding levels for operations and maintenance, little or no new funding for critical projects like the Columbia River Channel deepening project, little or no new money for maintaining failing infrastructure, and no funding for the shallow draft harbors and channels that are the economic lifeblood of Oregon coastal communities. Every year, Congress fights to increase funding to the Corps resulting in a declining funding level. We need a long-term, rationally based system for maintaining our waterways and for funding needed capacity improvements.

Critical waterway infrastructure is not being maintained; new projects are not being adequately funded and our shallow draft ports, which are critical to the economic vitality of rural America, are repeatedly zeroed out in your budget request. These dollars generate economic growth through job creation, job preservation and in this time of economic crisis maintaining existing jobs is especially critical to the State of Oregon. Failing to adequately maintain our waterways infrastructure not only costs the taxpayer more in the long run but may, in some instances, constitute a safety hazard, putting life and property at risk.

In addition to several deep draft ports, we represent small coastal ports and harbors along the Oregon coast. These ports are the economic engines of their rural communities. These smaller ports -- home to fishing fleets, marinas and significant recreational facilities -- are critical to the economic survival of their communities. The decline in log and timber exports has dramatically reduced the commercial use of the shallow draft ports. Recreational boating and commercial fishing are more important to the economic health of our region's shallow draft port communities now than ever before.

A recent U.S. Army Corps of Engineers study of the economic impacts of recreational use of 18 Oregon shallow draft ports indicates that these ports generate, with multiplier effects, \$94.3 million in sales, \$35.9 million in income and 1,542 jobs. As of 1998, the landed value of commercial seafood at Oregon coastal ports averaged \$75

million per year and generated approximately \$31 million in personal income and 1,258 jobs.

Oregon has the highest unemployment rate in the nation. In June, our State's seasonally adjusted unemployment rate soared to 8.5 percent – the highest level in 17 years. Oregon urgently needs federal investments that will bring economic growth to our state. Denying funding to the smaller shallow draft ports literally leaves these ports and the communities they serve high and dry. The federal government encouraged settlement of these areas through the investment of federal infrastructure dollars in rural America. The future of these communities is at risk without continued investment.

Despite a nearly \$2 billion surplus in the Harbor Maintenance Trust Fund, our deep draft ports on the Columbia River and the Oregon Coast are suffering from lack of maintenance dredging, failing infrastructure and the inability to predictably plan for growth and retention of business. This lack of funding jeopardizes the nation's largest export wheat gateway and second largest export grain gateway.

We look forward to working with you to resolve this issue. We cannot continue to perpetuate a process that damages our communities and our nation.

Sincerely,



RON WYDEN
United States Senator



GORDON SMITH
United States Senator