



National Grain and Feed  
Association



North American Export  
Grain Association

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NGFA: (202) 289-0873 NAEGA: (202) 682-4030

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October 4, 2004

The Honorable Bill Frist  
Majority Leader  
United States Senate  
Washington, D.C. 20510

Dear Senator Frist:

The National Grain and Feed Association (NGFA) and the North American Export Grain Association (NAEGA) respectfully urge you to bring the Water Resources Development Act (S. 2772) before the full Senate before Congress adjourns for the year. Importantly, the measure includes authorization for the Upper Mississippi River and Illinois Waterway project as well as many other much needed infrastructure improvement projects.

As you are aware, U.S. infrastructure is a key competitive advantage to maintaining U.S. agriculture's export strength and this lock and dam system, built in the 1930's, is in desperate need of updating. Deterioration is costing U.S. industry \$100 million per year simply due to congestion. 12 years and \$70 million have been invested in the Upper Mississippi and Illinois Waterway study. The study has more than justified the needed improvements. The time for action is now – the building process may take up to twenty years to complete, even if projects are authorized immediately. U.S. agriculture cannot afford further delays.

These improvements are among the highest priorities of the grain and feed industry as 60 percent of grain exports traverse the inland waterways system. Future trade agreements and continued work to open international markets highlights the potential for agricultural export growth over the next 10 years. Additionally, an efficient waterways system leads to reduced costs throughout the entire transportation system, thereby retaining more money in rural areas. Also, improvements on the inland waterways system will enable freight to continue to be shipped by the most environmentally friendly transportation mode.

Additionally, the Upper Miss and IL River region has paid over 40% of the taxes collected by the Inland Waterway Trust Fund since the 1980's to fund half the cost of system-wide improvements while only 15% of those funds have returned for

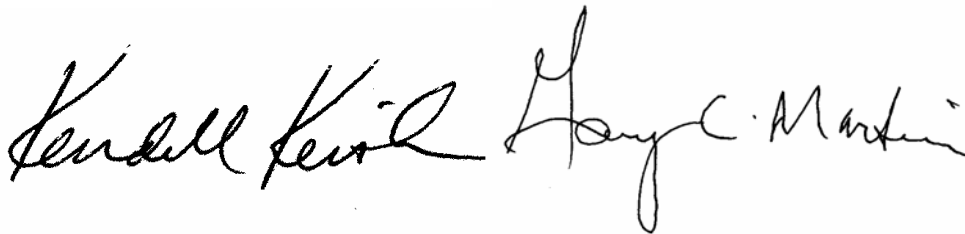
improvements in the region. The world market continues to grow more competitive as other agricultural exporting nations begin to close the “infrastructure gap” by increasing investments in transportation as the U.S. lets a once model inland waterways system fall into disrepair.

The NGFA, established in 1896, consists of 1,000 grain, feed, processing, exporting and other grain-related companies that operate about 5,000 facilities that handle more than two-thirds of all U.S. grains and oilseeds. The NGFA’s membership encompasses all sectors of the industry, including country, terminal and export elevators; feed manufacturers; cash grain and feed merchants; end users of grain and grain products, including processors, flour millers, and livestock and poultry integrators; commodity futures brokers and commission merchants; and allied industries. The NGFA also consists of 36 affiliated state and regional grain and feed associations.

NAEGA, established in 1912, is comprised of private and publicly owned companies and farmer-owned cooperatives involved in and providing services to the bulk grain and oilseed exporting industry. NAEGA member companies ship practically all of the bulk grains and oilseeds exported each year from the United States. The Association’s mission is to promote and sustain the development of commercial export of grain and oilseed trade from the United States. NAEGA acts to accomplish this mission from its office in Washington D.C., and in markets throughout the world.

Again, we urge you to bring this critical measure to the Senate floor as soon as possible. This bill is about job creation, reducing the burden of transportation costs on America’s producers, promoting U.S. agricultural exports and supporting the most environmentally friendly mode of transportation. Thank you for your consideration.

Sincerely,

The image shows two handwritten signatures in black ink. The signature on the left is for Kendell W. Keith, and the signature on the right is for Gary C. Martin. Both signatures are written in a cursive, flowing style.

Kendell W. Keith  
President  
National Grain and Feed Association

Gary C. Martin  
President  
North American Export Grain Association

cc: The Honorable Tom Daschle  
The Honorable Mitch McConnell  
The Honorable Harry Reid