Estimates for 1962–1963 are based on normal dredging for 30′ channel at 2,000,000 cy. annually plus 400,000 cu. yds. for additional silting due to maintaining narrow 32′ deep channel and turning basin.

The Army's dredging cost per cu. yd. is variable, and estimate is based on $0.25 per cy. as the dredging in fall of 1962 cost over 24¢ per cy.

CLINTON CITY, IOWA, BRIDGE COMMISSION

Mr. BLATNIK. The last project is H.R. 13221, Clinton Bridge Commission. Congressman John Culver was prepared to testify earlier today. His statement will appear in the record at this point.

(The statement referred to follows:)

STATEMENT OF HON. JOHN CULVER, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF IOWA

Subject: To include H.R. 13221, relating to the City of Clinton Bridge Commission, in the Omnibus Rivers and Harbors Bill.

Mr. Chairman and members of the Committee. I appreciate this opportunity to submit testimony to you regarding H.R. 13221, a measure I have introduced to assist construction of a new bridge at Clinton, Iowa, and to urge that it be included in the Omnibus Rivers and Harbors Bill before your Committee this week.

The 89th Congress passed PL 89–498 (H.R. 3788) which in effect revived and reenacted earlier legislation approved December 21, 1944 authorizing the City of Clinton Bridge Commission to construct and operate a bridge or bridges across the Mississippi River at or near Clinton, Iowa. PL 89–498 extended the original authority, under which the Gateway Bridge has been constructed and operated, to permit the construction of a new bridge near the site of the present Lyons-Fulton Bridge, which was erected in 1895 and on which traffic is now limited to two-axle, four-tire vehicles. The Lyons-Fulton Bridge, owned by the Commission, was devastated by fire in 1963 and is in such condition that its use is restricted and will not be accepted by the states of Illinois and/or Iowa. The structure must be replaced.

Both Houses of the Congress and the President have, in PL 89–498, recognized the immediate need for an additional bridge crossing at Clinton and extension of the existing authority of the Commission for that purpose.

Subsequent to the passage of PL 89–498, the Commission, on June 7, 1967, distributed a prospectus on the issue of $8,000,000 of Bridge Revenue Bonds, the proceeds to be used for the construction authorized by the enactment. A ruling was requested from I.R.S. that interest on these bonds would be exempt from taxation under Section 103(a) (1), I.R.C. Under existing policies of the Treasury a favorable ruling did not issue. With a statutory limitation of 6% on the bonds, and due to prevailing conditions in the current money market, no bids were received when the bonds were offered on June 28, 1967.

Because of the inability to market the authorized bonds, the economic needs of the area to be served by the proposed new bridge and the intent of Congress evidenced by passage of PL 89–498 were frustrated. The legislative amendment proposed by H.R. 13221 which I introduced September 28, 1967 would permit construction of the needed bridge which Congress has actually earlier approved. New construction would be financed by a "construction fund" derived from tolls on the Gateway Bridge and continued restricted operation of the Lyons-Fulton Bridge pending completion of a new structure.

The arguments supporting early and favorable action on the proposed legislation are several.

First, this Act merely provides an alternative method of financing construction of a needed new bridge which has already been considered and approved by both Houses and the Executive in the enactment of PL 89–498.

Second, in view of the inability of the Commission to sell its Bridge Revenue Bonds in the current money market an alternative method of financing the new bridge should be authorized. The method proposed involves no federal financing and contemplates earlier retirement of indebtedness on the new bridge and transfer of the structure to the states of Illinois and Iowa than would be possible if Revenue Bonds had been issued and sold.