



# Recent Trends in Output, Industrial Organization, and the Willingness to Pay in the US Inland Waterway Commercial Transportation Industry

**Start Date:** Oct 2002

**POC:**

**Projected**

[POC](#)

**End Date:** Sep 2003

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**Problem Addressed:**

Engineer Regulation (ER) 1105-2-100, 22 April 2000, requires a National Economic Development (NED) evaluation of all potential Corps of Engineers major resource actions. The measurement standard for the values of goods and services created by a Federal water resource project is defined to be the willingness of users to pay for each increment of output provided by a plan. This research identifies historic trends in the observed willingness to pay for inland water transportation using publicly available data so that forecasts of the future willingness to pay for water transportation may be evaluated in the context of the historic data.

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**Objective:**

The purpose of this research is to identify and examine recent historical trends evidenced in the inland waterborne transportation industry of the United States. The research is narrowly focused on three trends evidenced in publicly-available data for the industry: (1) trends in total industry size as measured by both the total tons transported by the industry and the total ton-miles produced (a ton-mile represents the movement of one ton of cargo a distance of one mile) by the industry; (2) trends in the industrial organization of inland water transportation as measured by the proportion of barges managed by the four largest providers of inland water transportation; and (3) trends regarding the observable willingness of shippers to pay for inland water transportation as measured by historic revenues of publicly reporting firms engaged in inland water transportation.

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**Benefits:**

The analysis of publicly-available historic data regarding the domestic inland water transportation industry reveals a national industry best characterized by: (1) historically decreasing rates of growth in total industry output culminating in the current virtual stagnation of long term industry output levels; (2) continuing horizontal integration of inland water transportation providers leading to an increased concentration of industry market power into a handful of national carriers; and (3) slowly decreasing real levels of marginal willingness to pay for water transportation. Together, these three trends have profound implications for the management of the existing inland navigation system infrastructure.

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**Status:**

Completed.

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**Contract Data:**

IWR 2003

**Progress:**

**Products (Bookshelf/Toolbox):**

[Report by Donald Sweeney, July 2003](#)  
(1.85 MB, pdf)

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**Related Links:**

[Navigation Economic Technologies](#)

[Center for Transportation Studies](#)

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*Revised 03 Mar 2006*