April 2014

# Waterways

A publication of the Upper Mississippi Waterway Association
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**Inside this issue:**



## 2014 season opening even later than last year

Stop us if you've heard this before; but the political web site *Politico* is quoting Senator Barbara Boxer (D-CA), saying that a WRDA announcement is likely when Congress comes back from its current two-week recess.

**Waiting for Corps**

"We should have an announcement when we come back," Boxer told the web site. *Politico* says the last big holdup on the water resources bill is a number of projects waiting for Army Corps of Engineers approval so they can be included in the final bill, which has been in a House-Senate conference committee since last year.

**Stalled since November**

The bill has been in conference longer than the Upper Mississippi has been closed to navigation in 2013-14. The last tow went through Lock and Dam 2, on November and WRDA was sent to the committee November 20.

And it seems likely that the first tow will reach the St. Paul harbor before the compromise bill sees daylight. The April 9, ice measurement on Lake Pepin showed 19 inches of ice at one stretch of the lake and as Kent Pehler of Brennan Marine told the *LaCrosse Tribune* recently, "Nobody wants to be first. Everybody's waiting for the other guy."

In its April 14 edition, *Waterways Journal* says officials are expecting the first tow in St. Paul on

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## Good turnout for Lambert farewell event

There was a good turnout for the March 28th gathering to honor Dick Lambert on his retirement after 57 years of service to the river industry. The event was held at the St. Paul Pool and Yacht Club where about 50 to 60 friends, colleagues and family paid tribute to Dick's time in private industry at as Director of Ports and Waterways for the Minnesota Department of Transportation.

During the event, Dick was formally recognized by the Coast Guard for his work and contributions to the industry. He's shown with Ltjg Travis McNeely.

For more on Dick's life and career, check out the January 2014 edition of this newsletter or a January newspaper story.

## From the Executive Director...

### Industry Supports Simplified Legislation

The U.S. Senate is considering a bill that will establish nationally uniform and environmentally sound standards for ballast water and other discharges from vessels. The bill, S. 2094, was introduced in early March by Sens. Mark Begich and Marco Rubio, chairman and ranking member, respectively of the Subcommittee on Oceans, Atmosphere, Fisheries & Coast Guard. Currently with 30 co-sponsors representing interests from New Hampshire to Hawaii, the legislation is now before the Senate Committee on Commerce, Science and Transportation.

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### 'Best available technology'

Under the bill, the U.S. Coast Guard – in consultation with the federal EPA – shall establish and implement enforceable uniform national standards and requirements to regulate discharges incidental to the normal operation of a vessel.

The bill states those standards shall be (1) based on the best available technology economically achievable; and (2) supersede any permitting requirement or prohibition on discharges under any other provision of law (think State). It further states that the U.S. Coast Guard shall administer and enforce this new national standard, and that States may enforce the uniform national standards required under this new legislation.

### A Departure

This represents a stark departure from today, where the federal EPA and the Coast Guard each regulate water ballast and vessel discharges under two different statutory authorities.

In a letter supported by 60-some water interest groups including UMWA sent to the leadership of the Senate's Committee and Commerce, Science and Transportation, the American Waterway Operators stated this bifurcated authority by two federal agencies, neither of which has preemptive authority over state action, has lead more than two dozen states to establish their own requirements, more than 150 in all, for many of those same discharges.

The result of this confusing overlap of federal-state authority for vessel discharge works against improving environmental protection, as companies have delayed investment in new, costly environmental protection because there is no certainty that such systems will be acceptable wherever the vessel calls, said AWO's letter.

This letter to Senate Committee leaders said S. 2094 will remedy this untenable situation by establishing a national framework of science-based federal laws that are good for the industry, its customers, the environment and taxpayers.

### Tug of War

This tug-of-war between federal/state agencies with differing, and sometimes conflicting objectives, is a familiar issue.

Several months ago, this column talked about an issue in the State of Washington relating to the discharge from USCG-approved Type II maritime sanitation devices (toilets to us landlubbers). The Washington Department of Ecology (that state's name for DNR) petitioned EPA to create a no discharge zone in the whole of Puget Sound and forbid the discharge of waste, either treated or untreated, period. This regulation would require all vessels to have a holding tank at more than $100,000 per vessel to hold black water until it could be pumped out at a landside treatment station. The State agency dismissed industry arguments that there were not nearly enough existing facilities to handle vessels affected by the rule. Also dismissed was the argument that such a tank would impact the stability, cargo capacity and effect range of vessels; it turns out that the State didn't actually consult with shipyards of naval architects and was unaware of the stability or tonnage issues.

### Decision already made

When the State held an 'informational' meeting last November, the decision to petition EPA for the no discharge zone had already been made and that input from the

audience of more than 60 members of the waterway community won't have any bearing on the decision, said the State. In the event EPA declares a no discharge zone, vessel owners will be forced to comply with the new regulations unless they receive a dispensation due to unique retrofit challenges. Even then, that exemption will be valid only until the vessel is next drydocked or 3 years, whichever comes first.

Commercial navigation and fishermen said the entire issue should be tabled until Ecology has actual and reliable data. Some have expressed the idea that the driving force behind the no discharge zone is to rid Puget Sound of commercial traffic by increasing operating costs or forcing mariners to move up the Canadian coast to Alaska.

**No EPA petition yet**

At press time, sources in the State of Washington indicated that supporters of establishing the proposed no discharge zone have not yet petitioned EPA.

On a lighter note, we learned that locals on various frozen lakes and rivers have an annual tradition of betting on 'ice out'. One way to determine the exact date is by the sinking of a black rubber tire placed on the ice in mid-winter. Hmm, wonder if that's covered by pending, or even existing regulations.

## Despite distance, barges are cheaper

The head of Webco industries says her Oklahoma manufacturing plant is viable only because of its access to waterborne shipping through the Port of Catoosa. CEO Dana Weber recently told *Forbes* magazine that the tubing maker's plant is able to compete because it is located near its customer base and has access to barges to bring in raw materials.

But she's worried about the continued lack of attention and investment in waterway infrastructure. Webco has two manufacturing plants and the supply chains for the two plants demonstrate the economic importance of water transportation.

**Longer lead times**

Weber says the company's other plant is located in Pennsylvania, with raw material suppliers within 200 miles. However, it is cheaper for Webco to move raw materials by water to its Oklahoma plant than it is to get materials trucked in from suppliers in the Northeast.

Barges do move slowly, Weber says, and the Oklahoma plant has longer lead times, but truck freight has gone up faster than barges and some trucking shortages have developed.

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**Other items of interest:**

- How do we revive the Mississippi River corridor economy? Ray Buol, mayor of Dubuque, Iowa, recently shared some ideas with Bloomberg News Service. At 2:36 in the clip he discusses lock and dam system issues and at 3:22 talks about how much river bottlenecks cost the economy.

- St. Lawrence Seaway shippers and Canadian ports are planning to invest heavily in their operations, believing that the North American economy will continue to create demand. Money will go to rebuilding walls, new lock gates and automated operations.

- You may already know about it, but in case you haven't logged on, there's an excellent source of information about Great Lakes operations online. The site features no fancy graphics or pictures, but does have up-to-date information on operations. So if you're a 'Boat Nerd' this may be a site for you.

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April 20 because of the ice.

On April 10, Corps of Engineers spokesman said, "We are open for business. It's up to the industry when to brave Lake Pepin. In the Twin Cities, the Upper and Lower St. Anthony Falls locks and Lock and Dam 1 remain closed to recreational traffic because of high outflows.

To the north, things are moving, if slowly on the Great Lakes. Reports say a Coast Guard/commercial vessel convoy which left Duluth, Minn., on Friday had made it to Marquette, Mich., by Saturday night.

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But she says the U.S. continues to put off maintenance and replacement on its waterways and that could mean major economic problems for her company if a bottleneck or shutdown occurs.

## Why do U.S. Projects cost so much?

Why are U.S. infrastructure projects so expensive? The Atlantic says it has some answers.

Among the reasons the article gives for higher costs for American projects are:

1. Davis-Bacon laws passed in 1931 which dictate wage levels.
2. Project Labor Agreements.
3. Buy American provisions.
4. Drawn-out environmental reviews.
5. The Transportation Alternatives Program.
6. Administrative Costs.

and,

7. Toll bans on Interstate Highways.

The Atlantic says its reporting shows that federal transportation policies aren't just about transportation, but bring a lot of other agendas and priorities into the mix.

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