

Waterways

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WRRDA finally signed into law

With little fanfare President Barack Obama this week signed the Water Resources and Reform Act (WRRDA) into law. UMWA's Executive Director Russ Eichman has been looking at the final product and offers some **analysis** in his column **on page 2** of this issue. And while a water bill was long overdue, others are pointing out that it may also contain [provisions that will be costly](#) long-term.

Customers concerned

Despite WRRDA pas-

sage, or perhaps because it took so long and was so difficult, concern about the state of America's waterway infrastructure continues to be on the minds of buyers around the world. When Executive Director of the Soy Transportation Coalition Mike, Steenhoek came back from visiting customers in the Philippines late last month, he said they are concerned not only with this year's soybean crop, but also the reliability of the waterway system that brings beans from the heartland to New Orleans and the world.

Steenhoek told [WHO TV](#), "They appreciated the fact that soybean farmers are not just concerned with growing adequate supply. They're also concerned with making sure it gets to our customers in a cost effective reliable manner and one of the messages that we really wanted to transmit was: we don't just care about the soy-

bean farmers we also care about our customers and we want to make sure that there's a win-win. When our customers benefit, our farmers benefit and so hearing about some of the steps we're trying to take to improve our transportation system was really well received."

U.S. ranks 19th

Those improvements are badly needed. According to the [World Economic Forum's Global Competitiveness Report](#), the quality of U.S. infrastructure ranks 19th in the world, behind Spain, Portugal and Oman. The report also points out the D+ report card given to America's infrastructure last year by the American Society for Civil Engineers (ASCE).

But despite efforts such as WRRDA and lots of talk about the need, infrastructure spending continues to lag. As the [FiveThirtyEight.com](#) web

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Below: Although Americans may take it for granted, the Mississippi River system is amazing to foreign media such as this NHK crew filming in Savage, Minn.



From the Executive Director...

WRRDA 2014 – A Soliloquy

At the time of this writing, WRRDA 2014, which last month was passed overwhelmingly by both chambers of Congress, now awaits the President's signature to become law.

Well known provisions of this bill include sections relating to improving Corps of Engineers project delivery systems to facilitate billions in job creation, and limiting Olmsted Project withdrawals from the Inland Waterway Trust Fund (IWTF) to 15% of the cost of construction starting after the current fiscal year. Those are under Section 2006 if the bill.

Not as popular

There are other provisions which are not as popular with the general press, but are nonetheless critical.

One such provision relates to the oversight of inland waterways which requires the Secretary of the Army to submit to appropriate Congressional Committees, a publically available report regarding the lessons learned from the planning and constructing experiences of the Olmsted Project – and how such lessons might apply to future studies and projects. That is under Section 2007(a) and kicks in not later than 1 year after enactment of the bill.

In addition, sub (c) of the same section requires the U.S. Comptroller General to conduct and submit to Congress a report explaining why the Olmsted Project exceeded both budget and delivery schedule. This report must be completed as soon as practicable after the bill's enactment.

Deservedly or not, Olmsted's inquest seems to be the agent by which yet more resources and money will be diverted from current and future infrastructure needs; but then corrective action requires thoughtful reflection which, at high levels, usually comes at a high price.

There are also parts of the bill dealing with alternative ways to generate addi-

tional revenue for inland waterway projects.

One alternative requires a study to focus on the benefits and implications of authorizing federally tax-exempt bonds that would be secured by the available proceeds and projected annual receipts of the IWTF; Section 2004(a).

Sub (b) of that same section requires the Secretary of the Army to conduct a related study on revenue sources for both inland and intracoastal waterway projects. This potential revenue could be collected to generate *additional* revenue for the IWTF.

It is interesting to note that in carrying out this study, the Secretary must evaluate a range of potential money pots from which funds could be collected that, when added to funds in the IWTF, are sufficient to support the federal treasury's 50% yearly construction level of \$380 million.

'The sense of Congress'

A note-worthy side-light of Section 2006 which seeks to preserve the IWTF by limiting withdrawals for the Olmsted Project is that "it is the sense of Congress that the appropriation for the Olmsted Project should be not less than \$150 million for each fiscal year until construction of the project is completed". It must be recognized, however, that a "sense of Congress" is not law – as used in this bill it is a reflection of a majority of Congress and is for-the-record a way to support a particular policy or concept or to appeal to the President to take specific action.

It's revealing, too, that the navigation 'beneficiaries' listed in Section 2004 include not only navigation, but also municipal water supply, hydropower, recreation, industrial water supply, flood reduction, agricultural water supply, environmental restoration, local and economic development, local real estate interest and others yet to be identified by the Secretary. This

"The Secretary must evaluate a range of potential money pots from which funds could be collected..."

listing contains some of the same groups our Association has claimed to be beneficiaries of the nine-foot channel, only to be rebuffed with counter-claims that only BIG barge lines and BIG industries receive benefits from the lock and dam system. Thanks to WRRDA 2014, they can no longer hide behind that shield; Congress has blown their cover.

A recent editorial in *The Waterways Journal* stated that one of the reasons WRRDA sailed through Congress was “by dumping \$18 billion in previously authorized projects”. As the editorial stated, while the bill involves 34 authorized projects, it offset the eventual cost of the bill (about \$12 billion) by shedding an additional \$6 billion worth of projects that are no longer viable due to lack of local support or funding, or which are no longer relevant.

Cheers and disappointment

WRRDA 2014 can be cheered as an issue on which a (some-times) dysfunctional Congress finally reached common understanding. It can be cheered for its promises for much needed reform and for Congressional recognition that different infrastructure financing schemes need to be considered.

At another level, however, it’s disap-

pointing. Yes, there’s relief for the construction of Olmsted, and it’s encouraging that many of WRRDA 2014 provisions are based upon recommendations made by the Corps of Engineers and the Inland Waterways Users Board.

Nevertheless, all the positive features of the bill are bitter-sweet when considering that the lock at Upper St. Anthony Falls fell victim, not to lack of use or need by commercial and recreational interests, but – confusingly – for reasons not made clear in the final legislation; but then, that’s a Congressional prerogative, isn’t it.

The irony of it all may lie in the fact that the National Environmental Policy Act (NEPA) requires “. . . federal agencies to integrate environmental values into their decision-making process” . . . by considering the environmental impacts of their action. Apparently this does not apply to Congress, as we learned that nothing in the WRRDA act changes otherwise applicable NEPA requirements.

Out of curiosity, we visited the NEPA website which contains, among other things 5,410 Environmental Impact Statements filed since 2004 (we checked the years 2011 to present) and found no EISs relating to the closure of the Minneapolis lock.

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“All the positive features of the bill are bitter-sweet when considering that the lock at Upper St. Anthony Falls fell victim...”

Other river related items:

- Is ‘Pepie’ real or a Lake Pepin legend? Wisconsin [author Chad Lewis](#) says he’s not sure whether there is something lurking in the big lake or not, but is open to the idea and has written [a book about whatever it is that people have been seeing](#). It’s called “*Pepie: The Lake Monster of the Mississippi River.*” (There is a [\\$50,000 reward](#) for indisputable proof of Pepie’s existence)
- River people are familiar with the Tainter Gates that are components of many of the dams on the system. But some may not know that the idea for the ubiquitous gates came from the early days of lumbering in Wisconsin. A recent article in the [Dunn County News](#) says the design of the gates has changed little since the first one was built
- The [Coast Guard has opened a public comment period](#) on a rule change to allow Mississippi River Barges into Lake Michigan as far north as the Port of Muskegon. Michigan agriculture groups say the change would help develop the state’s only deep water port in Western Michigan. Comments will be accepted until Aug. 25, 2014.

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site points out, spending levels are currently about 1.5 percent of GDP, which is the lowest since 1993.

FiveThirtyEight is a polling aggregation and analysis web site and offers some often overlooked reasons for the lack of infrastructure spending, including governments paying down debt and concern about the future of the Highway Trust Fund. The analysis says that while federal spending is important, local and state governments and their financial issues are an even bigger impediment to general infrastructure renewal.

The [Federal Highway Trust Fund is running out of money](#) and is the crisis du jour in Washington.

There have been some ideas floated to keep the fund solvent including using money saved from eliminating Saturday mail delivery by the Postal Service to fill the gap. Oregon Democrat Ron Wyden who heads the Senate Finance Committee says he expects some kind of fix before the July 4th recess. Wyden says the whole transportation infrastructure ties together and in his state getting products to ports and shippers requires good roads. He says if the Fund runs short, the country will face some very tough choices.

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As it now stands, the Secretary of the Army is charged with closing the lock at Upper St. Anthony Falls “Not later than 1 year after the date of enactment of this Act.” While the maximum amount of time the lock can remain open is one year, the same forces that lobbied to get the lock closed may work to get it closed even earlier than the one-year deadline.

Disclaimer: The opinions expressed within this article are the views of the writer and do not necessarily reflect the views and opinions of the Upper Mississippi Waterway Association.

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