

# Waterways

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## River interruptions have widespread costs

Go to [UMWA's web-site](#) and read *Waterways* editions from the past couple shipping seasons and you'll find a theme that's being repeated this year.

Whether it's drought and low water, flooding and high water or a severe winter followed by a late start, heavy rains and then silting (see *this issue's Executive Director's column*), river commerce has been challenged.

Slowed or stopped river traffic has demonstrable effects in the real world and ultimately costs taxpayers and consumers real money.

A good example is the road salt shortage in Illinois, where municipalities are desperate to resupply their stock despite high

costs. The Illinois Department of Central Management sent an email to cities it supplies saying they are running low and suggesting that the city buyers look

He says, "We went with the higher price because I contacted four or five other vendors and they said they were out."

The paper says the salt shortage results from a number of factors, including a harsh winter and increased usage. But one important factor

was decreased supply because barges couldn't navigate the Mis-

issippi as late or early as normal and now salt is competing with agricultural commodities for barge capacity.

The *Associated Press* recently provided [another real world example](#) of how

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*Above: The massive cutter head of the Corps Dredge Goetz has been busy in recent weeks reopening the Mississippi River. Corps of Engineers photo.*

elsewhere.

Effingham City Engineer Steve Miller told the [Effingham Daily News](#), "We had to go out and find a source other than CMS. The salt we are getting is \$116 a ton, which is up from \$62 a ton last year."

## From the Executive Director...

### Record River Levels

Imagine the size of a pile of dirt delivered by 23,000 end-dump trucks or the mountainous profile of 400,000 objects the size of household clothes dryers. That's the approximate volume covered by dredging contracts initiated by the Corps of Engineers between June 6th and August 1st to eliminate choke-points in the Upper Mississippi River. For the detailed oriented, we're referring to COE St. Paul District Dredge Notices 14-01 through 14-13 – covering about 397,000 cubic yards – the most recent postings to the COE's website as of this writing.

Almost one-third of that total was dumped into the river at the Chippewa Delta in Pool 4; the rest was spread amongst Pools 5, 6 and 7 as river levels quickly receded dropping tons of sandy silt onto river bottoms.

### Deeper and wider

Since early June, a 52-member crew from the Corps has been battling the clock and Nature to deepen and widen the river after record floods. As described by a [StarTribune August 5th article](#), the Dredge William S. Goetz, anchored off the Wisconsin shore sucks the river bottom into a system of large pipes supported by a line of barges that carry it to shore, adding to a mountain already about 50 feet high. And, continued that article, that buildup has caused one of the worst barge traffic stoppages in memory, one that could have a huge economic impact; indeed it will, and has.

### \$50 Million waiting to go

According to various regional press reports, 17 towboats with more than 150 barges – most of them loaded – sit moored to the shore along the Mississippi River, unable to move as shoals have made narrowed channels impassible at the critical height of the shipping season. That's equivalent to "... something like \$50 mil-

lion in commodities that are waiting to go", said Lee Nelson, president of Upper River Services, the harbor operator.

In addition to cargo values, the value of 150 trapped barges alone, each estimated in the neighborhood of \$150,000 represents an investment of some \$22.5 million. That, added to tens of millions more for each of the 17 line-haul towboats, interest expense and wages, starts to define the size of an investment that is temporarily, shall we say, dead in the water.

### More dredging needed

Even though the river has reopened, the industry is not out of the woods, says the *StarTribune* article. There are plenty of other places that need to be dredged, and soon, or the river's going to be closed again; it'll be ongoing though the summer.

Unfortunately, the pain doesn't stop there. The USDA reported that a significant return of empty barges was reported at St. Louis and the Illinois River, which increased barge availability and stabilized barge rate increases. However the current closure of the UMR where dredging is ongoing will reduce the supply of empties to the Minneapolis-St. Paul area and could put pressure on barge rates again when the river opens.

### Similar problem, different reasons

Ports of the Pacific Northwest, which compete with NOLA and other Gulf Ports for export traffic is in a similar situation, but for different reasons. The problem out there is that increasing North Dakota crude oil trains promise more disruptions and will become a long-term problem impeding exports and the regional economy: Soy Transportation Coalition. The Coalition's August 1<sup>st</sup> article states further that Washington wheat farmers have been luckier than their Upper Midwest cousins because most can ship their wheat by barge down the Columbia River. But farmers further from the river, who typically ship via rail,

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*"That's equivalent to...something like \$50 million in commodities that are waiting to go..."*

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are now paying truckers to move wheat to a barge terminal.

### Concerned about cost

All of which clearly makes an undisputable point: Shippers, particularly those shipping bulk commodities, are concerned about the cost and availability of freight, both rail and barge, not only because of blocked rivers, but because of the surge in oil train shipments out of North Dakota. While grain movements do not compete for the availability of rail oil tank-cars, all large shippers compete for *rail and barge motive power* along with the availability of freight cars, barges and crews in order to meet contract delivery times.

### Nation needs it

As we've stated many times in this column, our

nation needs efficient and reliable transportation alternatives for bulk commodities. A single source such as rail is not enough, nor is barge transport by itself enough as all bulk commodities need truck and rail transport at one or both ends of a barge route. Regionally and nationally, our nation continues to need an efficient intermodal transport system if we are to remain relevant in an ever-increasing global economy. Sand-choked, impassable rivers along with coal and oil-clogged rail corridors are stark and nagging reminders of that.

### Oldest U.S. lock is dewatered

Monongahela Locks and Dam 3 have been dewatered and Corps Commanding Officer Col. Ber-

nard Lindstrom says the dewatering shows, "Rust never sleeps, concreted does not last forever, and money does not grow on the water."

Two months of repairs are needed to keep the 107-year-old structure operating.

Lindstrom made his remarks to [a recent gathering of industry, congressional and partner agencies](#) who came to tour the lock and talk about the bigger problems of infrastructure funding.

"The biggest benefit of gathering today is to talk about the new authorizations that have been given to us and to address how to best fund future projects," Lindstrom said.

Construction of Locks and Dam 3 was completed in 1907. Seventy years later in 1980, the lock chambers were rebuilt, but

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*"Shippers...are concerned about the cost and availability of freight, both rail and barge..."*

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### Other items of interest:

- The damaged [lock chamber at Lock and Dam 26](#) has reopened just in time for fall harvest. The main lock chamber reopened after eight months of emergency repairs to replace steel cables on one of the lock's upstream lift gates.
- It may be hard to those who use the rickety Mississippi River system to believe, but [Brazilians are envious of America's waterway infrastructure](#). Several farmer/clients of Rabobank International recently visited Brazil to see that country's agriculture and transportation. Renato Rasmussen of Rabobank told the group, "Oh my God, you guys are blessed! You just should know that what you have here is light years ahead of what we have in any other major grain-producing region in the world."
- The Panama Canal is celebrating its first century of operation, but may have to limit ship drafts in the near future. A [drought in Panama has lowered the lakes](#) that feed canal locks. Last November's rains were the lowest in the canal's history but officials are hoping for a return to normal rains this fall. The new, widened sections of the Canal are scheduled to be ready by 2015.

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deteriorating infrastructure is raising costs of the basics. Near landlocked Stockland, Ill., an outdated bridge is unable to handle fully loaded grain trucks on their way to market.

“Since farmers' profits are dropping this year alongside crop prices, bridge-infrastructure needs have come into sharper focus,” AP says. “Most soybeans wind up on a rail car or barge to reach their ultimate destination, but just about all of them leave the farm in trucks that roll over small bridges.”

The story says the bridge is weight restricted to 58,000 pounds and a fully loaded grain truck weighs 80,000 pounds.

The result is more trips and wasted money. Cutting the weight that can be carried in a farmer's truck by 25 percent per load could mean an extra \$1300 in fuel costs per 1,000 acres of crop.

AP says the Illinois Soybean Association will be picking critical bridges in each county to focus attention and possible solutions to problems.

River movement proved to be the only way to get a piece of heavy equipment to the CF Industries Port Neal complex in Sioux City, Iowa. And that brought [the first barge to that portion of the Missouri River since 2003](#).

The CF fertilizer complex is being expanded in a \$1.7 billion project and

some of the equipment is too big for trucks or trains. The first piece had been assembled in Japan before being moved by ship to Texas and then up the Mississippi and Missouri Rivers.

More barges will be making the trip before winter.

The Port Neal Complex contains an ammonia plant, two urea plants, two nitric acid plants and a UAN plant.

The Port was opened with construction of an ammonia plant in 1966-67. Two major engineering projects have since increased the plant's capacity and the machinery will enable further expansion.

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