

Waterways

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A publication of the Upper Mississippi Waterway Association

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Plenty of issues for Steenhoek to cover

There are plenty of hot topics for this year's Annual Meeting speaker to talk about when UMWA members and guests convene in South St. Paul Thursday evening. Mike Steenhoek and the Soy Transportation Coalition for which he is executive director, are watching and working on

a wide variety of concerns including shipping capacity for this year's bumper crop, infrastructure funding and the implications of an expanded Panama Canal for middle American farmers.

On that issue, Steenhoek recently told the [Wichita Eagle](#) that Midwest producers who export are likely to be the second biggest beneficiaries of the benefits from the larger vessels passing through the canal.

Exports may increase

The story says STC estimates that soybean exports may increase from 2.1 million bushels to 2.6 million and says it could lower freight costs for some by 20 to 35 cents a bushel. The *Eagle* says the benefit will extend

only to those within each reach of river transportation. Steenhoek pointed out that the old guideline was that it made sense to go by barge if an elevator or shipper was within 70 miles of a navigable portion of the Mississippi or other river. New estimates put that distance at 160 miles.

But the benefits of [lower shipping costs have been moved a bit](#) further into the future by construction problems on the new sections of the Panama Canal.

Highly visible leaks

Reports say the contractor in charge of the project has been told that the Panama Canal Authority (PCA) will not accept the current infrastructure being built until

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Above: This inland grain elevator, unloading a farmer's truck, may be one of the beneficiaries of an expanded Panama Canal.

UMWA annual meeting is Thursday in South St. Paul

Great door prizes, a delicious dinner in a beautiful country club setting and an excellent speaker are all included in the price of this year's 89th annual meeting of the Upper Mississippi Waterway Association. However reservations are due today (Sept. 14) for Thursday's

event at the South View Country Club in South St. Paul. You can get [a look at the venue](#) and make your reservation online.

Reservations can be made at <http://umwa.net/News-or-Reviews.html> and credit cards are accepted. If you're paying with cash or

check, you can bring your payment to the event, but make sure to also complete the reservation form online.

Officers for 2015 include Chair, Board of Directors: Greg Genz, Kaposia Marine; President: Paul Freeman, Minnesota Soybean Growers;

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From the Executive Director...

Lower Minnesota River Watershed District Revisited

A dozen years ago this month, UMWA's September 2003 monthly newsletter contained an editorial expressing general frustration over a lack of disposal site management on the part of the Lower Minnesota River Watershed District. In it, we reminded readers that dredge material management is the cornerstone of the District's history and continues a major responsibility today.

In 1960 the Minnesota Legislature created the District to obtain and manage sites for the placement of river materials dredged by the Corps of Engineers from the main channel, but said nothing about material from private slips.

Less dredging, more problems

A decade later, a federal study resulted in a series of river management recommendations that altered the Corps' dredging process, resulting in removal of less material from the main channel, leaving a greater amount of suspended material to accumulate in areas of quiet water – namely private slips.

As a consequence, the 2003 newsletter stated, with more dredge material being removed from private slips than from the main channel (a reversal of earlier conditions) private slip owners were forced to place dredge material on their own property, or elsewhere by arrangement with property owners.

Issues have snowballed

Ultimately, after years of impasse over long-term lease agreements, mitigation and other issues, the District finally acknowledged the need to provide sites for private dredge material, but did not address the issue of site management. Clearly, the 1960 oversight concerning placement of material from private slips has snowballed into sediment disposal issues from that date to the present, more than five decades on.

New studies considered

Fortunately, later incarnations of the District's 2nd generation management plan in place in 2003 seems to offer solutions to issues addressed in our newsletter. For example, the District's 3rd Generation Management Plan was approved by the Board of Water and Soil Resources in December 2011.

We have learned that the management plan will include changes made by BOWSR and the 2012 District's Governance Study; the new version – known as the 5th generation plan in recognition of the above two inclusions – is expected to be posted to the District's website yet this year.

Newest plan has clarification

We understand the newest plan includes clarification to some of our 2003 issues: the District's Savage site (purchased from Cargill) is owned by the District, possibly qualifying the District to receive money from Minnesota's Port Development fund. Private dredge material at that site is in a containment area separate from Corps material. Earlier restrictions on truck traffic to/from that site have been removed, and LS Marine is the site manager. We also understand that under the newest management plan, the District's 9-Foot Channel Fund will be a specific ongoing capital project.

In doing research for this column, we learned that the 9-foot channel fund balance turned negative starting FY 2007 after income to the fund became negative onward from FY 2001. Currently reflecting a negative \$277,000 balance, fund projects are ongoing with financing from the District's general fund.

Regarding the issues which were the focus of our 2003 column, the District has yet to make a decision on how to maintain a positive balance in the channel fund, but has several options: 1) levy an ad valorem property tax across its entire jurisdiction. As stated in the 2012 LMRWD Governance Study, this would assess all residents

“...We understand the newest plan includes clarification to some of our 2003 issues...”

and commercial entities at the same rate, based upon the taxable value of their property, or 2) levy a special assessment on those who are legally determined to be beneficiaries of the 9 foot channel.

We understand a decision on levy options will be made in the near future.

District addressed issue

In contrast to the open issue of levies, to its credit the District has made decisions which positively address the issue of site acquisition and management through site ownership and professional site management.

Disclaimer: Thoughts and opinions expressed in this column are those of its author and not necessarily those of the Upper Mississippi Waterway Association or its members.

Container on barge much missed in PNW

There have been some sceptics who say that intermodal container shipping on the Upper Mississippi is unworkable. Perhaps those critics should talk to [producers in the Pacific Northwest who are having a very difficult time getting crops to market](#) after a labor dispute essentially shut-down container service in the port of Portland, Ore.

Lentil and chickpea producers especially benefited from the smaller loads made possible by containers that moved the commodities across the Pacific and to South American customers. A recent public radio report says the container yard up the Columbia/Snake system at Lewiston, Idaho, is idle.

Farmers paying price

With harvest nearly complete, those farmers are now paying the price.

The peas and lentils are rotation crops which return

nitrogen to the soil after wheat crops which can be cost effectively moved by large vessel. Because the two crops are bagged and shrink wrapped, containers are an ideal way to move them.

The [Port of Portland's major container terminal lost its two main customers](#), Hanjin Shipping Co. Ltd. and Hapag Lloyd this year. Because of a long running labor dispute, those companies are moving their business to Tacoma or Seattle, Wash., where they have facilities.

Whole system hit

The shutdown has affected shippers and elevators all along the system e container transfers to vessels simple and quick.

Estimates say that it used to cost about \$850 to move a container onto a barge and then a vessel. But because the containers now go to other ports and have to be trucked to container ports, raising the cost to nearly \$2,000 per container.

“...to its credit the District has made decisions which positively address the issue of site acquisition and management...”

Other items of interest:

- UMWA member [JF Brennan Company continues to make industry news](#). The firm has just completed its first project with a new, fully customized Barracuda-class dredge made by [DSC Dredge](#) of Reserve, Louisiana. The work took place at the Quad Cities Generating Station, Cordova, Ill. The plant needs dredging every two years or so to keep its secured water intake area open.
- For the first time since 2007, [barges are loading and unloading in the West Bottoms in Kansas City](#). The downtown terminal is located near the confluence of the Missouri and Kaw Rivers. The Port KC, which replaced the Kansas City Port Authority, says it still expects to reach 2015 projections of 206,000 tons of inbound cargo.
- Some riverboat news: The new American Queen, said to be the largest in the world, made a splash when it [docked recently in LaCrosse, Wis.](#), on a cruise up the Mississippi. The boat is 418 feet long and 89 feet wide. And the Delta Queen Steamboat Company, which is hoping to return the Delta Queen to river cruising, has announced that historic Kimmswick, Mo., just downriver from St. Louis, will be [the new home port for the restored steamboat](#). The boat left Chattanooga six months ago after the company purchased it and moved it to New Orleans for restoration.

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[highly visible leaks](#) are fixed. Another group is currently investigating the leaks and efforts to fix them so it can let the Authority know if an April 2016 deadline can be met.

Lower drafts now

And there are [more immediate problems](#) on the Canal that may affect this fall's export prices. The PCA says that levels in Gatun Lake have dropped because of a severe drought in Panama. About a third of the Canal passes through the big lake and draft levels have been decreased for transiting vessels from 39.5 feet to t0 39 feet. However recent rainfall has apparently made a further draft decrease to 38.5 feet unneces-

sary at this time.

Safety concerns

Also, a BBC report also says that [safety concerns have been raised](#) because ships will not be guided by locomotives which are positioned on either side of the locks to make sure ships are aligned for passage.

The Union of Tugboat Captains and Deck Officers of the Panama Canal say they are concerned that total responsibility for guiding ships through the new Canal sections will rest only with them. The union says that the PCA has given them any guidance for the future and hasn't included them in technical discussions.

The total project cost is estimated at well over \$5 billion dollars, but it's uncertain if repairs will up that figure.

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Vice President: Taylor Luke, LS Industrial and Marine, Inc.; Secretary: Scott Dohmen, CF Industries Sales, LLC; Treasurer: Kathryn Sarnecki, Saint Paul Port Authority and Executive Director: Russell J. Eichman.

The business meeting will convene at 5:30 p.m. and a 6:30 p.m. reception courtesy of Hayden-Murphy equipment will precede dinner at 7:15 p.m.

Since 1932, [UMWA](#) has worked to ensure that the Upper Mississippi River navigation system is used and maintained in a safe and environmentally responsible manner.

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