

Waterways

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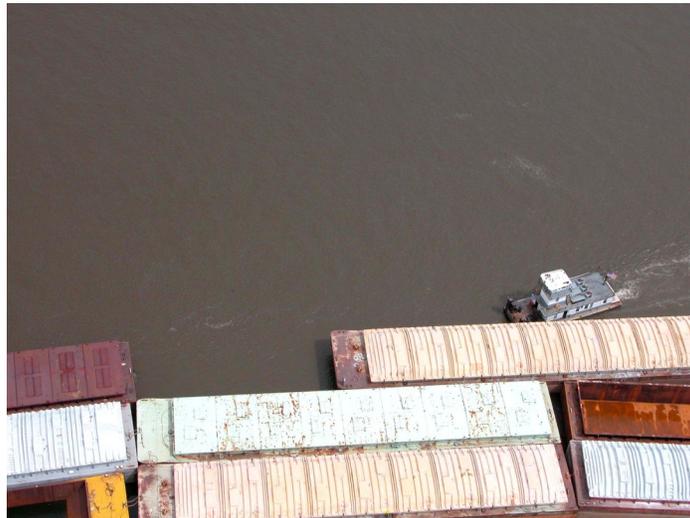
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UMWA member Honored as 'Steward'

UMWA member Upper River Services, LLC, will be honored by the [St. Paul Riverfront Corporation](#) at its upcoming River Stewards Luncheon for the company's contributions to St. Paul and the Mississippi River. The Dec. 5, event will be at the James J. Hill Center beginning at 11:30 a.m.

The profile on Upper River Services notes that the company operates



Above: An Upper River Services boat works to fleet barges for their upcoming trip down-river.

seven towing vessels as well as two shipyards and provides barge towing,

tat for Humanity help for New Orleans, giving the

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fleeting, cleaning and repair services. The Corporation also notes that Upper River Services has been an active partner in many special projects including the new Hastings Bridge, Habitat for Humanity help for

House WRRDA Conferees include one Minnesota Congressman

Minnesota's Rick Nolan is the only Congressman or Senator from the five UMWA states named to [the House/Senate Conference Committee](#) on the Water Resources De-

velopment Act (WRDA). Sixteen Republicans and 12 Democrats will now sit down with Senate conferees to resolve differences between H.R. 3080, the House version called the,

'Water Resources Reform and Development Act (H.R. 3080) and the U.S. Senate's S. 601 the, 'Water Resources Development Act.

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From the Executive Director...

Yet Another Study!

This past October, the U.S. House Committee on Transportation and Infrastructure appointed a Panel to examine the current condition of freight transportation in the U.S. and to show how improving that function can strengthen the economy.

The Panel's charge was to identify the role freight transport plays in the economy, how to increase its efficiency by the use of technology and options to finance infrastructure.

Using roundtable discussions and visits to key transportation corridors (locks and dams, and transloading terminals were not included) the Panel on 21st Century Freight Transportation noted both challenges and barriers to the efficient movement of goods, both domestic and international.

While all transport modes including air and pipeline were examined, inland waterway financing and infrastructure was mentioned in passing; the main focus of the study appeared to be on wheeled transport. Therefore, as a trade association of waterway interests, we'll limit our comments on the Panel's report to truck, rail and waterways.

Highways

According to the Panel, the Highway Trust Fund Account will be in the red by \$14 billion in 2015, plus it will be responsible to pay for projects obligated in previous years [no amount was given] resulting in a total deficit of \$132 billion by 2023. Future demands will need up to \$170 billion over the next 20-year period, not including operations and maintenance. Backlog of impaired bridges will require yet another \$20 billion annually. By our math, that's a whopping deficit of \$417 billion by 2023 plus unstated backlog plus O&M! The Highway Trust Fund is financed by federal fuel and other taxes along with cost-sharing by local state sponsors. For example, federal highway

construction in Minnesota is cost-shared up to 20% by the State.

Inland Waterways

The Panel's report indicates that the Inland Waterways Trust Fund reached its highest balance on 2002 at \$413 million. Three years later expenditures began to exceed collections; that, along with several projects exceeding original cost estimates caused the fund balance to drop sharply. As a result there are concerns that the IWTF may not be replenished under the present fuel tax approach. The Panel recognized, however, that proposals by both the Administration and the Inland Waterways User[s] Board have been made to address this solvency issue.

Railroads

The Panel report seems to portray railroads as the darlings of transport modes as they are not the federal money holes of highways and waterways, or are they?

According to the Panel, railroads invested more than \$23 billion in 2011 to improve and expand their private track network. Further, all railroads, whether long-haul or regional short lines return \$3 for every \$1 invested in the nation's system, this according to the U.S. Department of Commerce.

However, it appears the Panel side-stepped a Federal Railroad Administration report on a continuing federal program that loaned railroads or qualifying agencies almost \$1 billion since 2009. These were direct loans for up to 100% of projects amortized for up to 35 years at U.S. Treasury rates. It's interesting to note that 72% of loans have been to Class II and Class III railroads, not behemoths such as BNSF or UP. For the record, we're not rail-bashing, only stating published facts.

Panel Recommendation

The Panel's report ended, as all government reports end, with Key Recom-

“...There are concerns that the IWTF may not be replenished under the present fuel tax approach...”

mendations and comments on Funding and Financing Investments.

Disappointingly, nothing new was offered. It stated that our Nation is at a crossroads; that infrastructure is crumbling; that deteriorated bridges will interfere with the efficient movement of freight, and that the nation's freight bill will increase and damage our long-term business and economic future. But we've known that for the past two decades or so.

There was one promising new wrinkle, however: "Many truckers, barge operators, manufacturers and business owners have expressed a willingness to contribute more to the system as long as their investment will be used to maintain and upgrade the facilities on which their livelihoods rely", stated the Panel.

As to the Panel's six Key Recommendations, the most hopeful was the last

one which stated that the Secretary of Transportation and the committees on Transportation and Infrastructure, and Ways and Means should develop specific funding and revenue options for freight transportation projects prior to Congress' consideration of the surface transportation reauthorization bill of 2014.

Further, as reported by the Journal of Commerce, the most positive outcome of the House report could be that it gives the Federal DOT the push to include waterways and railroads in its national freight network, something MAP-21 didn't do. "... [W]e can't just look at freight when it's on the back of a truck", said T&I Ranking Member Nick Rahall, D-W.Va."

[To view a copy of the Panel's full report click here.](#)

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Both bills re-authorize the U.S. Army Corps of Engineers to develop, maintain, and support the nation's vital port and waterways infrastructure needs, and support effective and targeted flood protection and environmental restoration needs.

And, as an extensive article [on the global intelligence web site Stratfor.com](#) points out, America's extensive and economically vital water transportation system needs immediate and extensive help. Stratfor notes that the WRDA bill will be the first since 2007 and will address some of the system's problems.

"However, the larger looming problem of insufficient funding remains. The U.S. inland waterways infrastructure is old, much-needed improvements

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"...Many truckers, barge operators, manufacturers and business owners have expressed a willingness to contribute more to the system..."

Other items of interest:

- A new book, "[Old Man River: The Mississippi River in North American History](#)," says the big river has always been important to the country and played a major role in at least two wars. He says the U.S. victory at Vicksburg was at least as important to ending the Civil War as Gettysburg.
- In a blog post on [shopfloor.org](#), Roby Boerstling says, "It's all connected: Inland Waterways Crucial to US Agriculture. The article highlights how vital the river is to agribusiness firms such as UMWA member CF Industries.
- UMWA is considering eliminating the print version of this newsletter. **If you receive the print version and would like to continue to do so**, please let us know either by phone or email - (651) 776-3108 or umwa@umwa.net. The digital version of *Waterways* contains links to more information on our stories and reaches you more quickly.

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Coast Guard a temporary docking area during the 2008 Republican National Convention and working with Red Bull and Living Lands and Waterways on a new, mobile skateboarding experience. The company has also supported paddling events, river clean ups and fireworks shows.

Upper River President Lee Nelson will represent the company at the event. [Tickets are still available online, but the RSVP deadline is Nov. 27.](#)

The Saint Paul Riverfront Corporation is a private, non-profit organization that works to stimulate economic and community development through urban design.

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have been delayed and the total cost of rehabilitation is expected to rise,” Stratfor says.

“Navigable rivers are one of the United States’ inherent geographic benefits and have contributed to the nation’s economic success. Failure to update and maintain the inland waterways could lead to disruptions in the supply chain and hurt U.S. competitiveness on the global export market.”

After briefly sketching the inland waterway system, Stratfor talks about the problems with the current trust funds which are supposed to fund maintenance and upgrades.

“Regardless of the new

legislation, the problem of underfunded and outdated infrastructure remains. The U.S. Army Corps of Engineers estimates that it will cost \$125 billion or more to revamp the entire inland waterway system,” Stratfor says. Adding that, “Some estimates show that just maintaining the status quo of unscheduled delays for the more than 200 locks on U.S. inland waterways would require an investment of roughly \$13 billion dollars by 2020, averaging out to more than \$1.5 billion annually.”

As the industry has often pointed out, Strafor says recent weather problems demonstrated what can happen when the fragile system is slowed or stopped, even briefly.

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