

# Waterways

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## Drought demonstrates effects of river closure

### Inside this issue:

Drought shows price  
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Closing the Mississippi River, even temporarily, hits farmers hard. [A recently released study by Informa Economics](#) of Memphis, Tenn., says slowing and closures on the river system last year [simulated the consequences of poor river infrastructure](#).

Presented to the Mississippi River Commission on



*Above: As this upbound tow at St. Louis demonstrates, barge movement remains the most environmentally friendly and economical way to move bulk cargoes.*

board the Mv. Mississippi during this year's low-water tour, [the study says](#) last year's

problems cost some farmers \$0.45 a bushel in cash corn prices.

**The 'real world'** Illinois Corn Marketing Board Chairman Larry Hasheider says that while the study documents the effects of low water levels, it also demonstrated how a "real world" event would play out during a longer river interruption.

Another report by [the Big River Works](#) organization says big grain companies are

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## UMWA gathers 'on' the Mississippi for 87th annual meeting

In past years the UMWA annual meeting has been held on the river, but this year's meeting is really "on" the river aboard the Vessel U of M Showboat moored at the St. Paul Riverfront off Harriet Island.

If you haven't made your reservation, there's still time. An online form is



Commander of the St. Paul

available at <http://umwa.net/Registration-Form.html>

This year's speaker is Colonel Dan Koprowski, the recently installed District

District of the Army Corps of Engineers.

Col. Koprowski assumed command of the St. Paul District June 19, 2013, becoming the district's 64th commander and district engineer. Prior to assuming this command, he was assigned to the National War College in Washington, D.C. He is a native New Yorker whose awards and decorations include the

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## From the Executive Director...

*Editors note: a couple years ago, before the Annual Meeting, Executive Director Russ Eichman came across some old newsletters and did some reflecting on the Association's history.*

*Those reminiscences are worth rereading, with today's headlines in mind, especially the part about Minneapolis being favorable to navigation.*

***"...Isn't that the same federal agency which now claims that the Missouri River water is sacrosanct..."***

### Thirty Years and Counting

We recently came upon a cache of UMWA monthly newsletters from 1982 to the present. With that in hand, we thought it would be appropriate to do a short, light-hearted piece about our newsletter, or at least those issues not stuffed away in a file drawer or stored upon outdated and unretrievable digital media.

### Early leadership and warm vermouth

Since its 1932 incorporation in Minnesota, UMWA was fortunate to have the vision and leadership of such notables as C.C. Webber, President, Deere and Webber Company, forerunner of today's Deere & Company (1932-1938); H. M. Baskerville, President, Riverway Company (1948-1953) and J. L. Shiely, Jr., President of the company bearing his name, now known as Aggregate Industries US (1957-1959) to name just a few.

The 1982 newsletter masthead indicated an Amery, Wisconsin address and telephone number, reflecting the address of Andy Nelson, its then Executive Vice President. While employed by GTA – the forerunner of today's CHS, Inc. – Andy was instrumental in clawing through the multi-level permit process required to construct GTA's barge terminal at Savage on the Minnesota River. Recognized or not, the regional grain and waterway industry is indebted to Andy for his tenacious drive and dedicated work-ethic, without which, the terminal might not exist today.

### Association governance

In an edition covering the 1982 Annual Meeting, Rear Admiral Sidney Vaughn, Commander of the 2nd Coast Guard District, commented that two vital areas of the waterway industry are communications and involvement. Coincidentally, at that same meeting UMWA members voted to amend the bylaws to permit the election of state vice presidents as the asso-

ciation's eyes-and-ears in their respective states. The change was designed to "help UMWA function more efficiently" and to give attention to all relevant issues in the five Upper Mississippi River states. Ironically, today's members are debating whether to continue the practice; this time around it's not a question of improving efficiency, but of the realization by members that the Illinois Waterway and the Missouri River have grown in commercial and environmental importance over the last three decades, requiring the day-to-day attention of local shippers, supported, when requested, by UMWA.

### Department of Interior flip

However, it was a two-line sentence about a coal slurry pipeline that really piqued our curiosity. The November 1, 1982 issue stated that the U.S. Secretary of Interior and a slurry pipeline operator entered into a contract to withdraw Missouri River water for use in an interstate coal slurry pipeline.

Excuse me, but isn't that the same federal agency which now claims that Missouri river water is sacrosanct for the preservation of the Piping Plover and other endangered species – and that waterways, a critical component of national transport infrastructure, can go-fish (remember, this is a light-hearted article)?

Intrigued by this radical change of heart, a Google search uncovered a 1982 case decided by the U.S. Supreme Court in 1988. Testimony reflected that the ETSI Pipeline Project entered into a 40-year contract with the Secretary of the Interior to withdraw a certain amount of water per year from Lake Oahe, a reservoir located

on the Missouri River in South Dakota, for use in an interstate coal slurry pipeline. The State of South Dakota had already granted ETSI a permit to use this

water to transport coal from Wyoming to the southeastern United States. Soon after the contract was signed, however, the states of Missouri, Iowa and Nebraska filed suit in District Court to stop the contract, alleging that Interior lacks authority to

execute a contract for industrial use of water without first obtaining the approval of the Secretary of the Army, which, according to court documents, was never intended to be

granted, nor was it ever granted.

As a matter of interest, the Supreme Court cited that the Lake Oahe reservoir holds in excess of 23 million acre-feet of water and the ETSI Project would withdraw only about 20 thousand acre-feet of water per year for 40 years, seemingly not a huge amount of water when considering the pipeline would cover a distance of 1,036 miles.

However, the major point in this case addressed the fundamental issue specifying the powers of the Secretary of the Army and the Secretary of the Interior - particularly the former's authority as to the use and disposal of water at any reservoir under the Department of the Army's control. Specifically, "the

Interior Secretary does not possess the authority to execute a contract to provide water from an Army reservoir for industrial use without obtaining the Army Secretary's approval."

In other words, the Secretary of the Army has exclusive contract authority to remove water from its reservoirs for industrial use. Needless to say, the ETSI-Department of Interior project was never commissioned notwithstanding claims it would be a preferred alternative to damage-causing large dams and man made lakes.

### **Minneapolis favorable towards navigation**

Closer to home, the City of Minneapolis, according to the November, 1983 edition, is officially considering the completed Task Force report on Upper Harbor

Navigation. A committee of the City Council has accepted this study in its present form, unless some unforeseen problems arise to change it. "The Task Force report strikes an even balance and is quite favorable to navigation. Recommendations include assigning a specific team or City agency to guide future development of the harbor." [The City of Minneapolis is currently in the second decade of a thirty-year plan to eliminate commercial navigation from the harbor, and possibly from their memory; apparently something 'unforeseen' did arise.]

### **1980 Russian grain demand**

And this from a December 1983 issue: the Minneapolis Grain Exchange indicated that more than 59 million bushels of grain were shipped downriver in November,

or 1100 barge loads. The Exchange also said that as of the end of the calendar year, the total was 438 million bushels in 8,400 barge loads of grain. Already, the

figures are up from the 282 million bushels recorded in 1982 . . . approximately a 55% increase. [Remember: During the 1970s, Russia went from being a significant

exporter to the world's largest importer of grains, upwards to 40 million tons per year – expressed in 60- pound units, annual Russian grain demand is a staggering 1.3 billion bushels.]

What started out as a scan of past newsletters quickly reaffirmed our belief that headlines, no matter their date, are merely random placeholders in a yet-to be-completed essay. For example, UMWA governance will always change to reflect adjustment to trade agreements, environmental movements and federal funding; Federal agencies must continue to reflect changing political agendas; Minneapolis has not yet found ways to finance their overpriced "Above the Falls plan" and world population growth pushes global grain production. And even though we focused on only two years of the thirty, this airy assessment resulted from merely reading a few sentences about the Piping Plover and Minneapolis' once warm, fuzzy feeling towards commercial navigation.

***"The Task Force Report strikes an even balance and is quite favorable to navigation..."***

### **Other river related items...**

- A traveling exhibition [highlighting the recreational and economic value of the Mississippi River](#) has been making the rounds of river cities. It's an offshoot of the Mississippi River Cities and Towns Initiative, started by a group of river city mayors which met recently in St. Cloud, Minn.
- As widening work nears completion on the Panama Canal, an important anniversary is also approaching. On August 15, 1914, the first steamship passed through the canal, marking the opening of the canal and a new era of export and import markets for the U.S. You can read more about the canal on [the Naval History Blog](#).
- Quincy, Ill., is officially out of the hydroelectric power business on the Mississippi River. [The Quincy city council](#) recently voted down a letter of intent and partnership with Coastal Hydropower. The city has been talking about making money from turbine installations in nearby locks for about seven years.
- The fall Chinook [salmon run on the Columbia River](#) is the largest ever, and could hit 1 million fish by the time it is done. The fish count at Bonneville Dam went over 613,700 last week, the largest number since the dam was completed in 1938.

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investing in their river facilities because the economies of water transportation make it the most efficient and inexpensive way to move bulk cargoes. The group says ADM, Cargill, Bunge and Louis Dreyfus are all investing in bigger, more efficient facilities along the river, on the assumption that it will be available long-term.

The group also points out that other countries, particularly in South America are investing heavily in river transportation and the Mississippi system is the farmer's best hope of competing in world markets.

The importance of river commerce is also reinforced by [an earlier study by USDA's Agricultural Marketing Service](#) that shows a simi-

lar effect on basis levels and corn prices after another natural disaster – Hurricane Katrina.

#### **WRRDA introduced**

In Washington, D.C., H.R. 3080, the [Water Resources Reform and Development Act of 2013 \(WRRDA\)](#), has been formally introduced and will begin markup yet this month. Bill sponsor Committee Chairman Bill Shuster (R-PA), heads a bipartisan list of sponsors of the bill.

Differing from the Senate-passed version of WRDA, this bill would authorize the Corps of Engineers to carry out its missions 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.

In the past, Congress has directed Corps activities through a Water Resources Bill which was passed every two years. But it has been seven years since a WRDA bill was signed into law.

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Bronze Star Medal, the Meritorious Service Medal, the Army Commendation Medal, the Combat Action Badge and the Bronze Order of the DeFleury Medal

Events kickoff at 5:30 p.m., with the annual business meeting. A reception will be held from 6:30 to 7:15 p.m. and dinner and program begin at 7:15 p.m.

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