

# Waterways

A publication of the Upper Mississippi Waterway Association

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As waterways deteriorate...

## Infrastructure debate continues

As recent events have demonstrated, you don't have to understand quantum physics to believe in parallel universes. All that's necessary is spending a few hours in Washington, D.C., or reading about some of the ideas being floated for infrastructure funding and then reading about or experiencing the deterioration of the country's vital waterway infrastructure.

While the White House is pushing a plan that would more than double the fees and taxes paid by commercial waterway users, others are talking about the deteriorating locks and dams and the increased demands that will be placed on them when the widening of the Panama Canal is completed in the near future.

### Inefficiency raises costs

At a hearing last month in the House Water Resources and Environment Subcommittee, Chairman Bob Gibbs (R-OH) said, "The continual rise in fuel prices means that waterway transportation is a more attractive and cost effective shipping method. But an inefficient transportation system will raise costs and when transportation costs go up, the competitiveness of American-made products on the world market goes down. And that means lost jobs."

Congressman Gibbs pointed out that fifty-seven percent of the structures on the waterways are more



*(Above) Some of the Agricultural Specialists and their hosts tour the Upper Harbor locks. (See Exec. Dir's column)*

than a half century old and about thirty percent are over 70 years old.

"Navigation outages along the system are increasing... This trend of increasing outages is expected to continue.

### Staying competitive

"Addressing the infrastructure needs of the inland waterways system is not about economic benefits to a few barge companies. It is about keeping American farms and businesses competitive and growing

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## **From the Executive Director...**

### **International Waters of a Different Sort**

The Commander of the St. Paul District addressed UMWA's 85th Annual Meeting with updates on the record flooding that occurred within that District in the early and mid-months of 2011 and which continued through August.

Colonel Michael J. Price, who's District is home to four river basins: Mississippi River, Red River of the North, Souris River and Rainy River, reported that the area had extremely high snow-water equivalents in early 2011 of between five and 11 times above normal. Fortunately, the three latter basins drain north into Canada's Hudson Bay, but not before causing extensive flooding south of the Canadian - U.S. border.

### **Canadian River, North Dakota Problem**

The Souris River, for example, is a river of Canadian origin and destination which flows south only as far as Minot before heading home to Canada. In mid-June it began its historic U.S. flooding of more than 4 thousand homes, leaving behind about 650 thousand acre-feet of water in an area accustomed to less than 50 thousand acre-feet in the Spring of the year. This event had a direct impact on over 12 thousand residents in Minot alone while temporary levees completely protected other North Dakota areas around Sawyer and Velva.

The legacy of the Souris River flooding, said Colonel Price, is 14 thousand linear feet of emergency levees constructed, using 340,000 cubic yards of material; 4,164 structures impacted, with 77 percent either destroyed or sustaining major damage; 11 thousand souls displaced and \$7.75 million expended in the 'Souris Basin Flood Fight'.

Through August of this year FEMA authorized just over \$59 million for temporary housing, debris removal and other Souris River mission expenses.

### **Birds Point – New Madrid Floodway**

Colonel Price also made reference to flood water issues on the Lower Mississippi River, particularly at Bird Point – New Madrid Floodway located just below the confluence of the Ohio and Mississippi

Rivers.

Record volumes of flood waters from upriver Mississippi River and its tributaries brought massive volumes of water to the lower river, threatening public safety and economic catastrophe.

With the Mississippi River reaching record levels and after extensive planning and preparation, the COE, on May 5th, blasted a floodway levee to reduce flood threats at Cairo, Paducah, Cape Girardeau and other locations, creating a lake in the floodway. [Print sources indicated that the floodway-lake would cover about 133,000 acres of farmland and about 100 homes in Mississippi and New Madrid counties.]

(See nearby sidebar information on federal flood cost updates.)

### **Annual Meeting Comments by Mike Toohey, WCI**

On August 15, Mike Toohey was elected President and Chief Executive Officer of Waterways Council, Inc. With more than 30 years of federal government expertise, Mr. Toohey most recently served as Consultant with The Livingston Group's Transportation, Shipbuilding, Shipping and Ports practice area. Prior to that, he served as Vice President of Government Affairs for Ashland Inc., a global chemical, energy and construction company, including its retail petroleum outlets Super America and Super Mom's which, as Mike put it, "made me intimately familiar with St. Paul."

Speaking to the here-and-now, Mike indicated that WCI's first task is to advance their Capital Development Plan, which would increase the amount of tax paid by shippers by some nine percent and increase the annual contribute to the Inland Waterways Trust Fund to \$380 million from the current \$170 million. "The forest service can grow and harvest a tree faster than we can implement changes in infrastructure", Mike said, "hopefully, increased Trust Fund contributions will shorten project development time".

### **Administration Finally Recognizes Waterways**

"The President's recent jobs proposal to Congress is the first time the Administration specifically recognized waterway projects as contributing to job-creation efforts" said Mr. Toohey. Further, he said,

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## ***Executive Dir. from 2***

WCI recently met with the Office of Management and Budget in an attempt to change OMB's attitude on the Capital Development Plan, "towards which they are unfriendly". Recent Belt-Way meetings said Mile, also included discussions to increase the transparency between the Inland Waterways Users Board and the Corps of Engineers' policymaking and to have the Capital Development Plan folded into the Maritime title of the current Surface Transportation Authorization Bill.

### **Olmsted is a money sucker**

Lastly, Mike opined that major cost overruns of Olmsted Lock and Dam from \$775 million in 1998, to today's \$2.1 billion, plus an expected 'order of magnitude increase' in project funding, is sucking all funding from the IWTF and is the 'tipping point for the 24 authorized waterway projects awaiting funding.'

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### **Upper Harbor Foreign Embassy Tour**

In a lighter tone, in late September, UMWA took part in a river tour of Agricultural Specialists from 23 countries working for the United States Department of Agriculture at host-country U.S. Embassies to promote U.S. agricultural exports. The tour originated at Aggregate Industries' (AI) Minneapolis yard, transited the Upper and Lower St. Anthony Falls locks as well as the Ford Lock and Dam where guests departed the barge and boarded a bus to continue their Minnesota tour.

This river tour departed from the normal format in that the two barge configuration moving from AI's Minneapolis yard to mines on Grey Cloud Island, some 40-miles downstream was part a normal shipping schedule, and the 28-member USDA group, shall we say, hitch-hiked along. The lead barge still had remnants of its last load; however the people-toting barge was suitably clean and fitted with appropriate conveniences. With a box lunch from Jimmy Johns, tour guides UMWA Vice President Greg Genz and Upper Area Lockmaster Timothy Meers, and perfect early-fall weather, this event, was, in our opinion, a success. In fact, guest feedback to the USDA indicated the tour was the highlight of the group's two-week stay in the U.S.

Countries represented were Yemen, India, Tunisia, Belgium, Romania, South Africa, Jamaica, Spain, Japan, Chile, China, Jordan, Czech Republic, Brazil, Vietnam, Netherlands, Pakistan, Honduras, Turkey, Senegal, Guatemala, Panama and the United Kingdom.

Tour hosts were David J. Fredrickson, Commissioner, Minnesota Department of Agriculture; Tim Rocke, Director, Global Commodity Analysis, USDA; and Karisha Kuvpers and Laura Geller, both Foreign Service Officers.

Co-sponsors of the tour were Aggregate Industries US, Minnesota Soybean Growers, USDA Foreign Agricultural Service and UMWA.

### **Other river related items:**

- The Waterways Council Inc.'s 8th Annual Waterways Symposium will take place Oct. 19-21, in Pittsburg, Penn. Online registration and details are available at [www.waterwayscouncil.org](http://www.waterwayscouncil.org).
- We've been meaning to mention that the 5th edition of The Little Tow-Watchers Guide was published earlier this fall and is available from the folks at Big River Magazine.
- The St. Paul Yacht Club has put out an RFP for a Dredging Consultant to help the organization with an increasingly serious silt accumulation problem. For more information contact Roger Anderson, business manager, at 651-292-8964.
- The U.S. Army Corps of Engineers says some sort of end is near for the 74-year-old retired dredge William A. Thompson. The vessel may be sold for scrap unless a qualified non-profit group comes forward to make public use of it.

**Debate from 1**

American jobs.”

His sentiments were echoed by Larry Bray of the University of Tennessee’s Center for Transportation research: “The use of inland waterways to support freight transportation saves shippers (and their customers) billions of dollars annually. Moreover, in some cases, the freight that moves by water cannot be moved any other way.”

The expanded Panama Canal was the major subject addressed at a Tri-State Economic summit early this month hosted by the city of Quincy, Ill. Leaders of both the U.S. Soybean Export Council and the Soy Transportation Coalition said the newly widened canal could be a major boost to Upper Midwest farmers.

But Mike Steenhoek, of the Soy Transportation Coalition said while it’s great to have a new, more efficient route to world markets, his members and other shippers may not be able to take advantage of it.

“We’re not investing in ourselves. Our locks and dams are in dilapidated condition,” he said.

Jim Sutter, CEO of the Export Council, said that the lack of funding for the latest WRDA bill is disappointing and shortsighted.

“As we ship soybeans down the Mississippi River they get to the Gulf and the expansion of the Panama Canal allows larger ships to be loaded, giving greater access for U.S. soybeans.”

**In the other universe**

However in that other universe is a legislative proposal euphemistically called the, “Inland Waterways Capital Investment Act.”

Its Sec. 2 (a) it headed “User Fee” and says, “There is hereby imposed an annual user fee on each vessel that transports commercial cargo on the inland waterways of the United States, which shall be paid by the owner of the vessel. The Secretary of the Army shall determine the amount and structure of this fee for each fiscal year, with the goal of ensuring that the balance of receipts in the Inland Waterways Trust Fund...is sufficient to cover the user-financed share of the costs of inland waterways capital investment.”

As noted by Michael J. Toohey, CEO of the Waterways Council, the new proposal would impose lockage fees in addition to the 20-cents a gallon fuel tax operators currently pay.



*Above: Some of the Agricultural Specialists touring the Upper Harbor. (See Exec. Dir’s Column for details.)*

**Federal Flood Cost Update**

Subsequent to Colonel Price’s presentation, the *Grand Forks Herald* Stated that nearly \$350 million in federal and state disaster assistance has now been obligated to North Dakota for this spring’s flooding.

Also, the *Bismarck Tribune* reported that along the Mississippi, where floodwaters receded months ago and estimates are more solid, the preliminary repair total is about \$780 million, including nearly \$328 million for levee repair.



*(Left) Col. Mike Price speaking at the UMWA Annual Meeting last month in West St. Paul.*