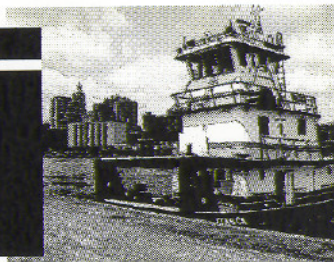


# WATERWAYS

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## On lower Missouri River

# Rec boaters are tied to barges

A five year drought in much of the Missouri River watershed is graphically demonstrating to marina owners on the lower Missouri River how closely their future is tied to commercial navigation.

### **No tows, no rec boats**

At a public hearing in Omaha last month, marina owners told the Army Corps of Engineers that if towboats can't operate, it's unlikely that pleasure boat owners will be able to leave their harbors. In 2004, the navigation season was shorted by 47 days and some river shipping companies didn't operate at all. There were also reports of several marinas with insufficient water to let recreational boats in and out to use the river.

Dan Albertson, who owns Sandpiper Cove Marina in Omaha, told the Omaha World Herald that, "Our business is tied to navigation. If the towboats are operating, we can

operate. But if they (the Corps) preclude navigation, where are we going to be?"

After a fifth year of drought, the Corps predicts that snowmelt and rain will provide only 65% of normal flow from Montana, Wyoming and the Dakotas next year. There are six upstream reservoirs which are used to store water for release and reports say all-time lows continue to be recorded.

### **Minimum flows**

The Corps' draft operating plan for 2005 says there will be only minimum flows for navigation and the season will likely be shortened as much as 61 days. The agency also says its newly revised Master Manual for the river includes drought strategies which include truncating the navigation season.

Similar meetings on Missouri levels were held in New Orleans, St. Louis, Montana, Kansas City, Mo.,

and the Dakotas.

Early in November, the Corps temporarily increased flows from the Garrison (N.D.) Dam so a riverboat could be moved into a marina in Bismarck. Lake Sakakawea is near an all-time low, but the Corps says the one day extra release won't be noticeable.

### **Controversy**

The Lewis & Clark tour boat had to be moved into the marina before freeze-up to prevent damage. There was a bit of controversy surrounding the release because one of the boat's owners is Darrell Dorgan, brother to Sen. Byron Dorgan (D-ND). However he and the Corps say that there were no special favors and that amended releases are not uncommon.

## **'Container on barge' becoming reality**

Elsewhere in this issue, UMWA Executive Director Russ Eichman talks about the resurgence of the "container-on-barge" idea. And there are signs that such inter-modal efforts are close to reality.

First, the Port of Brownsville, Texas, is promoting a plan to become a container hub, using its Mexican rail connections as an alternative to

West Coast ports. A port study says it would be \$400 cheaper to deliver a container from Asia to Brownsville, using overland Mexican rail than delivering the same container to Long Beach, Calif. An estimated seven days would also be saved. Once the cross Mexico, containers would be handed off to the port's railroad and transferred to ships bound for other Gulf or East Coast ports.

Osprey Line has just launched its Houston-Brownsville container service with weekly calls along the Gulf. A Midwest connection could be supplied by Osprey which is currently doing container-on-barge business as far north as Chicago (Lemont, Ill.).

Also, Chapman Service Group plans to start a new container-on-barge service between Pittsburg and Memphis and New Orleans. Planners say a round trip on the Ohio and Mississippi Rivers would take about three to four weeks, transporting timber from western Pennsylvania and the Ohio River Valley to the Latin American market. Chapman is doing an 18-month pilot program, which is financed by public and private money.

## Executive Director's Report...

An idea, which has been around for some time, is the notion that barges can be used to transport intermodal containers. I ran across this idea back in the mid-70s when we explored it to move a manufactured grain product to international markets. At that time, it didn't work for us, but I understand the concept is getting a new push, this time from several sources.

CHARLES G. RAYMOND, president of Horizon Lines, this country's largest domestic ocean carrier, recommended in a speech promoting short-sea shipping that water, rail and highway systems "...complement and not compete with each other..."

Arguing that all three modes should be part of an integrated intermodal transportation system, Raymond also suggests that this transportation trilogy holds the promise of reducing congestion on the nation's highways and rail systems.

In a recent article in the *Waterways Journal*, Raymond noted that in Europe, short-sea shipping has been used to mitigate surface transportation problems for more than 10 years and that European Union policy makers have placed coordinated rail, highway and waterway systems at the top of their transportation agendas.

EARLIER THIS YEAR, interests seeking to further this concept contacted us saying that the Center for Ports and Waterways (since 1995 a member of the Texas A&M University System) is finishing a study on inland ports. Purportedly, this study examines the freight capacity of ports and their connections with rail and highway modes, freight rates, inland markets and other logistical issues.

The main message of our source, a respected industry observer, was to state, "...what is needed in St. Paul is a river terminal to process at least 180,000 TEUs per year." And that this terminal should have truck and rail access with loading cranes that

cycle at the rate of an efficient US ocean port (40-70 TEUs per hour per crane). A port hub in the St. Louis area would serve as the initial hub of a St. Louis to St. Paul container-on-barge corridor.

THIS LAST STATEMENT and the previous one by Raymond should pique the interest of shippers along with state and local governments.

Shippers should be interested because barges offer the promise of lower rates, even if water routes are slower and more meandering.

State and local governments should like the idea of having fewer trucks pounding on streets and highways, thereby reducing maintenance expense and environmental degradation from drive time congestion.

BUT THERE IS yet a third proponent of containers on barges: MARAD. We understand that waterway interests in Washington, DC are advancing language in SEA 21 to incorporate inland waterways in the "National Water Highway System".

Quoting a Transportation Research Board prediction that the amount of freight handled to, from and within our nation will double by 2020, supporters for integration argue that infrastructures required by the 1) inland waterway, 2) Great Lakes, and 3) coast-wise shipments must be improved and better integrated with rail and highway resources if we are to meet future demands of increased population, increased import/export and domestic commerce as well as demands for improving the environment.

ADMITTEDLY, A funding mechanism must first be worked out, but sources say there is growing recognition in Congress that a nationally integrated approach to transportation is essential if this nation is to meet the demands of a growing population with ever growing expectations.

And finally, the Minnesota Department of Transportation has contracted with the University of Minnesota to study the potential of moving containers on barge on the Upper Mississippi River. The

results of this study should be out before Spring 2005. As we experience more congestion on highways around the country and hear that railroads are having their own congestion problems, maybe containers on barges on the Upper Mississippi is closer than we think.

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## Who says we don't need new locks?

The *Journal of Commerce* noted recently that the August shutdown of the McAlpine Lock on the Ohio River at Louisville, Ky., cost shippers money and disrupted supply chains and distribution networks of many companies in the region. That despite a two and a half month warning of the closure.

Normally, 1,250 barges move through the lock in a two-week period, carrying the equivalent of 80,000 truckloads of coal, petrochemicals, scrap metals and iron and steel products.

Another scheduled two-week closure of the Greenup Lock and Dam on the Ohio River this summer had to be unexpectedly extended and cost shippers about \$70 million, according to a Corps survey.

One more sign of the importance of waterway transportation to the nation: the Department of Agriculture reported at the end of October that growing grain exports have forced tariff rates up dramatically.

Barge rates on the rivers were up 35-60 points and 300 to 400% of historical par at grain terminals along the Ohio, Illinois and Mississippi Rivers, according to *Dow Jones*.

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## SPPA RFP

The Saint Paul Port Authority owns five acres of land in the Southport Industrial District that it intends to redevelop for use by river-related business. Southport is served by rail, road and barge shipping. Interested parties should contact Steve Hardie (651) 224-5686 or sbh@sppa.com