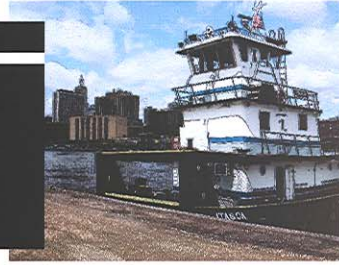


# WATERWAYS

Upper Mississippi Waterway Association  
PO Box 7006  
St. Paul, MN 55107  
651-776-3108 - [umwa@qwest.net](mailto:umwa@qwest.net)



December 2006

## Lost in the last minute shuffle

# Nation still without a water bill

Despite the best efforts of supporters, the 2006 Water Resources Development Act (WRDA) was declared dead by Sen. James Inhofe (R-OK) on Tuesday, Dec. 5. House and Senate staffs which had been working to reconcile the differences between H.R. 2864 and S. 728 decided that they couldn't do it before adjournment.

### **Cost vs. policy**

In the end, it was said that the biggest obstacle was the total cost rather than policy provisions that killed the bill.

The country has been without a WRDA bill since 2000, and Rep. James Oberstar (D-MN), who will head the House Transportation and Infrastructure committee and Sen. Barbara Boxer (D-CA), who will chair the

Senate Environment and Public Works committee, say they will make a WRDA package a top priority in 2007.

Supporters left the capitol discouraged, because the process will have to start all over, including new legislation, hearings and the new Democratic controlled House and Senate.

Sen. Inhofe, in fact said recently that, "It may very well be that I oppose what the Democrats will come up with next year."

### **Maintenance continues**

In the meantime, project work continues on the river. For example, the Corps of Engineers is still accepting comments on their proposed project at Lock and Dam 3. Work there will correct an outdraft current problem that pushes tows

moving downstream toward the gated part of the dam during high river flow periods. The project will also address a low and weak embankment structure on the Wisconsin side of the river.

### **Work done in phases**

Proposed improvements include an extended upper-guide wall, channel modifications and embankment strengthening. The work will be done in phases.

As it developed the project, the Corps looked for input from conservation groups, landowners and the navigation industry, among others. The comment period will close Jan. 12.

## PiPress does season wrap-up

The *St. Paul Pioneer Press* and reporter Tom Webb recently called on UMWA President Lee Nelson and Dick Lambert of the Minnesota Department of Transportation for an assessment of the recently concluded 2006 shipping season on the upper river.

Webb said in his Dec. 2, story that the season was "unusual" and may "foreshadow larger changes ahead."

Specifically, the story pointed out that in 2006 more commodities came up river than were sent down.

"I'd never seen that before in 30 years in the business," Lambert told the paper.

"We used to do about 17 million tons coming and going, and now we're down to about 13 million tons. That's mostly because of the grain not going out of state for several reasons – ethanol, high barge rates, high freight rates."

However, Lambert also told the paper that, "We seem to be importing more stuff – salt, cement, fertilizer. But it doesn't make up for the lower southbound



grain shipments."

For his part, Nelson pointed out that Upper River Services

*Season to 2*

## Executive Director's Report...

### Container-On-Barge

During the early 1970s, the phrase container-on-barge (COB) started creeping into the transportation lexicon. Newsletters of the day drew attention to COB activity in limited pockets on the lower Mississippi and Ohio rivers, but because it was seen as being at odds with just-in-time logistics that was gaining in popularity at the time, the idea was not taken too seriously.

Now, however, COB seems to have gained the critical mass necessary to demand attention and dollars from investors.

A recent *Waterways Journal* article reports that Fuller Dock & Warehouse in Memphis initiated a partnership with Osprey Line. With the launch of this new service, says the article, a container can now be shipped from Pittsburgh, for example, down the Ohio and Mississippi rivers to waiting ocean liners, for transport to anywhere in the world.

"In the beginning", says Lanny Chalk, terminal manager for Fuller Dock & Warehouse, "the service was primarily repositioning empty containers – sending empties either up or down river to be reloaded with cargo." Chalk estimates perhaps one barge a week was being shipped out of the Memphis facility. However, over the previous two years, momentum has picked up.

"Now we're loading and unloading five to 10 barges a week," said Chalk. "Although we're still repositioning some empties, the volume and variety of cargo has increased dramatically. We still have busier times of the year, but movements have stabilized, allowing for greater predictability."

### Efficiency

The article states that the key factor to the growth of COB is fuel efficiency. One gallon of fuel carries one ton of cargo 60 miles by truck, 202 miles by rail and 514 miles by barge, according to Gulf Intracoastal Canal Association.

At \$2.50 per gallon "...logistics experts need to look no further

than fuel prices during the previous year to crunch the numbers." And because fuel prices continue to fluctuate due to instability in the Middle East, COB offers a somewhat more stable and cost-effective mode of transportation.

"When it comes to cost efficiency, it's difficult to beat COB. Although a truck can transport a container from Memphis to New Orleans in eight to 10 hours, it's just one container. A full standard-sized barge can hold up to 90 TEU containers and make the same trip in three to five days."

### COB is increasing

According to the U.S. Army Corps of Engineers, domestic waterborne container traffic increased 41 percent from 5.16 million TEUs in 2003 to 7.3 million TEUs in 2004 (the most recent year data are available). But in spite of growth, the article continues, the inland waterway system is underutilized, providing relatively smooth traffic flow, unlike the congested rail lines and highway system.

### Rail-on-barge

An interesting sidelight of COB is the rail-on-barge concept used on Lake Superior in the 1970s.

France, for many years, exported grain to Thunder Bay, Canada, which eventually found its way to U.S. ports on the Great Lakes via lake vessel.

Once unloaded at U.S. lake ports, Milwaukee, for example, the grain had to be distributed by rail to inland destinations in Wisconsin and elsewhere.

Railroads, understandably, were not too happy to supply scarce cars to a cross-town switch or other short-hauls.

As a consequence of this and other changes in logistics and markets, railroads made arrangements with a cross-lake ferry operator to haul upwards to 15 rail covered hopper cars on a flat barge from Thunder Bay to Superior where the cars were offloaded and railed to various Midwest destinations.

Used until the early 1980s, this service eliminated several nagging issues of the day including a shortage of small lake vessels, diminishing supply of rail boxcars

for grain service and handling/storage expense at the final lake port.

---

### Season from 1

moved about 5 percent more grain barges around the harbor than in 2005.

"All in all, I think it was a relatively healthy season for the Twin Cities. Have we done more? Yes. Could we do more? Yes."

Webb pointed out that "Currently, Minnesota's 16 ethanol plants consume roughly 20 percent of Minnesota's corn crop. That leaves plenty of corn for other uses, including exports – especially since the past two years have been Minnesota's two biggest corn crops ever."

---

## Missouri staying at record lows

The Corps of Engineers reports continued record low levels in Missouri River lakes. Less than 35 million acre-feet of water is behind the six dams on the river.

One effect of the lower levels is a reduction in electricity production, which is forcing the Western Area Power Administration to buy more power to meet its obligations. The six power generating plants put out only 46 percent of their normal production in November because of lower pools and releases of water.

The amount of water released from North Dakota's Garrison Dam averaged 13,000 cubic feet per second last month, compared with the long-term average of 20,400. The Corps says releases will be maintained at 15,500 cubic feet per second this month.

Lake Sakakawea in North Dakota dropped a half foot in November and is expected to go down another foot this month. That will put it at more than 26 feet below normal and 4 feet lower than a year ago at this time..