

WATERWAYS

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Big picture thinking needed

Waterway problems are a security issue

Among the many retrospective stories about last year's Hurricane Katrina and its aftermath, there have been a few that go beyond finger pointing and scapegoating to look at the bigger picture.

For example *Florida Shipper* magazine in its Sept. 11, edition, pointed out that the hurricane demonstrated the weakness of the American inland waterway system.

'Functionally obsolete'

Among other things, the article points out that the inland waterway infrastructure earned a "D-minus" from the American Society of Civil Engineers in its annual "Report Card for America's Infrastructure." The group says that about half of the 257 locks currently in use are "functionally obsolete." The engineers go on to say that, "As the system ages, the infrastructure cannot support the growing traffic loads."

David Biederman, writer of the *Florida Shipper* article also quotes James R. McCarville, executive director of the Port of Pittsburgh Commission on the big picture.

"One of the foremost things we have to address is the threat to our national security that aging waterways infrastructure poses for our economy. I would say that is the most likely threat we face," McCarville says.

"It doesn't matter whether the infrastructure fails because of terrorists or neglect, U.S. security depends on it," says

Worth Hager, president of the National Waterways Conference. "The nation needs to be secure not just from terrorists, but also secure that we have an economic future."

The article also quotes Peter Gatti, executive vice president of the National Industrial Transportation League, making another 'big picture' point. He says that one of the problems with funding waterways is that such funding is widely viewed as pork-barrel politics. His group is working with the National Waterways Conference and other groups to change that perception.

"The waterways are the lifeblood for a lot of commodities. If that option decreases, it could have a major impact on the security of the country and the economy."

A 'dress rehearsal'

In the agribusiness publication *Top Producer*, writer Marcia Zarley Taylor points out that the waterway problems following Katrina last year could be a "dress rehearsal for the future of the U.S. freight industry."

"Hurricane Katrina demonstrated the fragility of a seriously over-taxed U.S. freight system where any local accident or storm can wreak havoc nationwide. With the Mississippi export artery temporarily shutdown, barge tariffs from St. Louis to New Orleans soared by 60% to 100%. Shipping a bushel of grain on that water route jumped from a normal rate of 33 cents a bushel to about 81 cents a bushel.

In the article titled, "Rush Hour on the Rails" she goes on to point out that there was no jump in

exports out of the Pacific Northwest because railroads were short of equipment to move commodities.

Kendell Keith, president of the National Grain and Feed Association says the barge industry used to be a relief valve when rail rates went up.

"Even if Congress decides to fund lock and dam upgrades in the Mississippi and Illinois rivers, it will be 10 to 15 years before shippers benefit from increased river capacity. Until we take a holistic look at our transportation problems nationwide, bottlenecks will continue to hurt."

Taylor also points out that the federal Department of Transportation expects rail demand will nearly double again within 20 years, thanks in large part to the influx of manufactured goods and containers moving containers from China and growing energy reliance on Montana and Wyoming coal.

Annual meeting Sept 21

This year's annual meeting of Upper Mississippi Waterway Association (UMWA) members will take place on Thursday, Sept. 21, 2006 at the Southview Country Club, 239 Mendota Road East, West St. Paul, Minn. 55118, in the President's Room.

Members have received their official notice of the meeting and are asked to return their official proxy if they are unable to attend this important session.

Executive Director's Report...

Low water

As of this writing, the drought that has caused the Mississippi River to diminish hasn't lessened since its start in early 2005. Low water on the nation's largest river has already resulted in a reduction in the size and draft of tows that carry more than 310 million tons of grain and other products along the river each year.

According to an August 29 Associated Press release, hydrologists at the Lower Mississippi River Forecast Center expect river levels to continue to drop rapidly. With no significant rain in the forecast and with extreme drought conditions expected to worsen in the basins of large northern tributaries, the forecast is bleak.

One forecast suggesting a worst-case scenario is based on the improbable notion that no rain will fall in the basin during the next 28-day period, calls for the Lower Mississippi to drop upwards to 3 feet in most areas. Some scientists and forecasters warn that with another month or two of dry conditions, parts of the Mississippi could start to bottom out.

While the river is not at historic lows, it is 8 to 10 feet below normal in most areas, according to the AP release.

Low water – higher costs.

And, as all operators know, but some of our other readers may not, low water means higher costs.

Under normal conditions, the Upper Mississippi River (between Minneapolis and St. Louis) is dredged so as to allow a barge to be loaded to a depth of 9 - 9 feet, 3 inches, depending on water conditions. The Lower Mississippi below St. Louis is a different animal. Being free flowing with no locks, the Lower is wider and deeper than the northern part, often having a depth of upwards to 30 feet but susceptible to seasonal changes in water flow.

With the current sparse water conditions in the Lower, barges moving southbound from Minnesota must be light-loaded to accommodate the restrictions in the Lower, meaning they are

loaded to a depth of 9 feet and no more.

The loss of 3 inches of draft results in a loss of 55 tons of freight per barge. While that number in itself is not large, an additional barge is needed to make up for each unit of 27 short-loaded barges.

2,000 extra barges needed.

Looked at another way, if only one-quarter of the 310 million tons of freight annually carried on the Mississippi each year was transported at a time of low water, (a realistic probability) an additional 1925 barges would be needed to carry the freight that would not fit into barges that were light-loaded by only 3 inches!

This translates into lost revenue to the shipper (who had to pay freight charges on these additional barges) and increased demand for barges in an already tight barge market.

Low water - narrow channel.

Another cause for concern for shippers and operators alike is the loss of channel width during low water conditions.

This is not normally a concern on the Upper because the lock and dam system maintains a 9-foot shipping channel that will accommodate 15-barge tows (3 wide by 5 long).

However, common tows on the Lower consist of two 15-barge tows set side-by-side, making them 6 barges wide by 5 barges long; twice the width as on the Upper. And because the main channel of the Lower narrows in times of low water, the Lower Mississippi River Committee, the industry group that regulates traffic in times of high and low water, has the authority to decrease the width of floats by one string of barges, when necessary.

When that happens, a string of 5 barges will be left behind. Ultimately when enough barges have been left behind to fill out an additional tow, they will be moved to destination.

Cause for concern.

This process costs barge owners, tow companies and eventually the shipper significantly more money to get the same amount of grain and other commodities to the mouth of the river.

And then, there is the issue of towboats - there are only so many of them around. "That's when the ol' supply and demand kicks in and everything gets more expensive," said David Choate, vice president of Oakley Barge Line. "I haven't seen much reason for optimism. I would say we're at the point where we need to be concerned."

Low water ended the drawdown in Pool 5 (below) this summer

