

Waterways

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Floods and high gas prices mean

Mississippi makes waves and news

To quote Abraham Lincoln, “The Father of Waters again goes unvexed to the sea.” He of course was referring to a Union victory at the battle of Vicksburg, but the Corps of Engineers has had an epic struggle this year to reopen locks and dams and the St. Louis harbor to navigation. In fact, it was the worst year for flooding and shutdowns since 1993.

Last to open was St. Louis harbor which was handling commercial traffic only when it resumed operations on July 8, as the Mississippi continued to recede.

Although the river has reopened, there have been problems. Most serious two groundings between river miles 801 and 803, just north of Lock and Dam 3. The Corps expected to have the channel dredged and reopened the evening of July 8.

Most news reporting on the situation focused on flooding impacts and local situations, such as one local newspaper report that talked about, “100 shipping boats (which) are stranded in the commercial harbor at Winona, Minn.” (It’s likely they meant barges.)

While some newspapers and newscasts did mention the closing of 13 locks and dams, most put the news inside or well down in the story or newscast.

Reuters got it

Ironically, it was Reuters News Service

which pointed out the economic impact of the month-long closure.

“At the height of the flooding, 300 miles of the Mississippi River were closed to barge traffic, disrupting shipments of grain, coal and petroleum products... The Mississippi River is the main channel for grain flowing from production areas in the Midwest to the export terminals at the Gulf of Mexico. Between 55 and 65 percent of all U.S. Corn,

River to 3

Below: Paul Labovitz and Dan McGuiness at Lambert’s Landing, which is within the MNRRA National Park. Labovitz was quoted in a June StarTribune editorial regarding “Our under-the-radar national park



From the Executive Director

Many will recall the maxim that food and sex are the primary drivers of humankind and that neither can ever be quelled, much less controlled. In this now-famous observation, England's Thomas Malthus summarized his own argument by stating that growth in population will eventually surpass the world's resources needed to support it.

While philosophical and religious arguments of the day maligned his views, the passage of time made them largely irrelevant. Introduction of mechanized farming, sanitation, fertilizers and irrigation increased both the amount and quality of food and fiber. Although a problem in places where food is used as an agent of political agendas, large scale starvation has not reached the proportions envisioned in this 1798 manifesto.

Scarce resources

Seemingly, the world is coming to terms with escalating population growth – today at just over 6.7 billion – and the ever-increasing demand for scarce resources. And, although the 18th century world was not the China-centric giant it is today, the ability to freely move items of trade and commerce is a resource that, if not getting scarcer, is arguably undergoing drastic changes as established concepts are reviewed and new ones developed.

In 2005, corn ethanol consumed about 20 percent of the then 10 billion bushel corn crop. Even this isolated event had a noticeable impact on transportation modes. Grain elevators on the Upper Mississippi, that routinely loaded a dozen or more barges of export corn per day dropped to about two dozen per month, or 1/10th of pre-ethanol volumes! Does this portend a permanent drop in waterway shipping? Definitely not. The river is not a lost market for corn, but merely an instrument of the temporarily disrupted market for ethanol which, if not for contrived subsidies and tariffs, would witness cheaper imported ethanol displacing a portion of local production.

Malthus was right

But Malthus was right-on about resources being limited:

- Earlier this year President Bush called for the production of 36 billion gallons of ethanol by 2022 which is being challenged by some in Congress calling for a roll-back to more realistic levels.

Backing into the math, 36 billion gallons requires just over 13 billion bushels of corn; about equal to the entire U.S. 2007 record corn crop. Perhaps we've miscalculated or misinterpreted the numbers, but if this ambitious schedule prevails, U.S. export markets, food production and transportation networks face drastic overhauls.

- Saudi Arabian oil officials are sharply divided on their assessment of still-untapped oil reserves, adding to uncertainties that supplies may have peaked, further fueling the continued run-up of oil prices to economy-changing levels.

- Other basic commodities like coal, copper, mineral ores, timber and precious metals are coming under concentrated international ownership, evidence of their limited supply and high demand. This gives the idiom "possession is 9/10s of the law" added meaning and testifies to the value of custody.

Beneficial shortages

There are, fortunately, beneficial consequences to shortages. Recent press reports indicate that China's manufacturing sector is threatened by rising costs. Shanghai manufacturers claim their profits have dwindled as they pay out more for raw materials and energy. As labor costs rise and China's currency strengthens, prices of U.S. imports, already up 5 percent from May of last year, face continued increases. Accordingly, U.S. companies are pulling manufacturing back home because higher costs and ocean transportation rates from Asia make U.S. manufacturing once again profitable.

No one expects China's economic power to wane anytime soon, in part because, in addition to consumer goods, it also exports high margin industrial machinery and other high value products. But perhaps China's strongest card is its domestic market of 1.3 billion consumers that is attractive for U.S. companies that want to export to China.

These changes bode well for U.S. inland waterways. According to a recent website posting,

Exec. Dir. to 3

Exec. Dir. from 2

the National Waterways Foundation announced that “America’s waterways are ready to meet growing demands.” Except for a few congested locks scheduled for replacement, the navigable inland waterway system has an abundance of unused capacity. By relieving growing transportation congestion with the least impact of any surface mode on air quality, public safety and the environment, waterways really are our transportation solution for the future.

River from 1

soybean and wheat exports leave from there.”

Under the radar?

The June 14, 2008 edition of the *StarTribune* carried an editorial page story titled “Our under-the-radar national park.”

The piece quoted Superintendent Paul Labovitz, who said of the park, “98 percent of people don’t realize they’ve been there.”

Writers go on to say that high gas prices may bring greater awareness because people are looking for things to do closer to home.

“It’s a great opportunity to rethink how we look at the Mississippi River. Rather than just a stretch of brown water we cross every day, the Mississippi is a world-class, world famous waterway right in our backyard. Its waters offer some of the best river sportfishing in the state. Its channels, island and manmade sights – locks and barges- offers canoeists and power boaters a unique experience,” the editorial writers said.

The article talked about some park-related events and reminded readers that more information is available at www.missriverfund.org, or in the park’s visitor center, in the lobby of the Minnesota Science Museum.

More TWIC deadlines set

The Coast Guard and Transportation Security Administration (TSA) say the Transportation Workers Identification Credential (TWIC) deadline for facilities in most Great Lakes Ports, including Duluth-Superior, is Oct. 31, 2008. All workers who need the TWIC cards must have them by April 15, 2009.

In the interim, the TSA has released details on the process that card readers must pass before they are certified to read TWICs. Companies who want to manufacture readers have been submitting information on how their readers will process the biometric information on the cards. After a series of pilot programs, the TSA says it will publish a final rule.

Several potential vendors have questioned the process and say they are wary of creating biometric reading technology before the final standards are issued.

Last month Rep. Bennie Thompson (D-MS) wrote to Department of Homeland Security Secretary Michael Chertoff to relay complaints his office has received about the TWIC help desk. Thompson says many applicants were put on hold for hours and then were given incorrect or misleading information. He says some companies are considering hiring additional administrative staff to help employees deal with the intricacies of application.

An interesting footnote to the process: as more than one UMWA member has learned, even though the TWIC cards are issued by the TSA, airport screeners (TSA employees) will not accept the card as identification for aircraft boarding.