Waterways

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On West Coast and elsewhere…

Cargoes shifting to water

Although it's a long way from the Upper Mississippi, a California air quality organization has just approved a project that will be a real-world demonstration of the environmental advantages that Midwestern waterway advocates have been preaching for years. San Francisco's Bay Area Air Quality Management District (www.baagmd.gov) says that its new "Marine Highway" project will mean many fewer tons of diesel pollution in area skies. When it's up and running next year, the pioneering effort will move state agricultural products through the Carquinez Strait between the ports of Stockton and Oakland on barges propelled by low-emission tugboats.

"This unique shift in cargo transportation modes for the Bay Area is the first such project on the West Coast and takes advantages of the region's natural waterways to decrease the toxic diesel pollution from truck traffic. It will eliminate 4,900 truck trips per week along Bay Area highways, reducing diesel pollution by 15 tons a year and significantly easing the air quality burden assumed by sensitive transportation corridor communities like West Oakland," says Jack Broadbent, the District's executive director.

The Carquinez Strait is part of the tidal estuary of the Sacramento and the San Joaquin rivers and drains into San Francisco Bay. The navigation channel is used by both commercial and military shipping as far inland as the Port of Sacramento.

Above: Rail and river come together near L&D 3

Canada too, eh?

To the north they're also talking about and rediscovering the advantages of barge transportation. A trader with the Canadian NorAg Resources, Inc. says that local grain barged out of the Port of Oshawa on Lake Ontario is currently giving area farmers increased returns on their commodities.

And as an editorial in the *Northumberland Today* newspaper recently pointed out, "There's an environmental appeal to water shipping too. Surely there are far less emissions and a smaller energy footprint from a barge than a fleet of transport trucks…"

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From the Executive Director…

Unfinished Business

As we write this, Congress is getting ready for its month-long Labor Day recess even as it struggles with the essentials of health-care, unemployment, education, and a languishing economy. It's not that anyone begrudges them a holiday – by and large, they're a good lot and deserve their well-earned Miller Time.

However, with published unemployment rates ranging from 9.5% nationally to more than 17% in some regions, and with the economy in the tank, a month-long Congressional shutdown seems, well . . . wrong.

Frankly, with an annual salary of $217,400 plus bennies, taxpayers deserve more than minimal Congressional performance during these seminal and demanding times.

Small Shadows Loom Large

While not casting as large a shadow as those that will define this Administration's legacy, the waterway industry has its own list of unfinished business, which, if mishandled by Washington, can damage and repress the nation's economic health for decades.

Unresolved Financing and Missed Opportunities

The 1200-foot lock controversy is still unresolved and will remain so until construction funds have been appropriated. True, the locks were authorized in WRDA 2007, but it is widely known that the road to the money is often long and bumpy. For example, the Administration has eliminated new funding from both the stimulus package and FY 2010 water appropriations bills, thereby eliminating any hope of near-by funding for vital lock updates.

Fortunately, the current WRDA bill contains the doctrine of 'Comparable Progress', wherein navigation and ecosystem projects must move toward completion at a comparable rate, or annual funding will be adjusted so as to ensure comparable progress in the future. That's a noble theory, but NESP is a 50-year program and Congress, to date, in addressing only the first 15 years, has already passed on two lock-funding opportunities.

To aggravate the situation, both the House and Senate versions of the Corps' FY 2010 funding bill prohibit the award of any continuing contract until a 'long-term mechanism' to provide additional Trust Fund revenues is enacted, which brings us to the next issue.

Unresolved Cost Sharing

The Obama administration proposes to finance the near-bankrupt Inland Waterways Trust Fund with a lockage fee which is intended to replace the current fuel tax. This proposal was initially offered by the Bush 43 Administration with a specific fee schedule; however the Obama proposal is without particulars, calling into question the very intent of the measure.

Since the Obama proposal offers no details, and, therefore is impossible to analyze, we selected an overly simplistic sample movement to get a general comparison of the current fuel tax versus the proposed lockage fees.

Using the example of a tow of 15 loaded barges from St. Louis to St. Paul, a fuel-burn of 4,000 gallons per day, an eight-day transit time passing through 26 locks, and using the fees proposed by the Bush administration, we calculate that the proposed lockage fee would be 3-times more costly as the current fuel tax thereby imposing severe economic penalties on river-dependent industries, agriculture and recreational stakeholders on the Mississippi River north of St. Louis. And, as

Minnesota is furthest north requiring more lockage use than any other state, the penalty to its shippers and business interests will suffer the most.

At a time when America should be promoting the most economical and environmentally-friendly means of transporting commodities that are the building blocks of the nation's economy, it makes absolutely no sense to impose the proposed onerous fees on the locking portions of the river, giving other users, including recreational vessels, a free pass!

If additional revenues are needed, a more workable alternative would be to simply increase the current fuel tax. After all, that system is already in place, is understood by everyone and distributes the pain of funding the infrastructure to all traffic, whether it moves through the locked or open portions of the river.

That being said, it is also fair to state that the industry is not in favor of ANY increase until and

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Bring barges back

Closer to home, the Soybean Transportation Coalition, which was formed in 2007 is talking up a return of agricultural commerce on the Missouri River. After years of drought and shortened navigation seasons, increased runoff in the watershed means that there's enough water for up- and down-stream interests as well as a full season.

John LaRandeau of the Corp's Omaha office says some barge traffic will return to the river because large equipment for the Novozymes enzymes plant at Blair, Neb., will be moved by barge.

Grower Mike Korth of Randolph recently took part in a transportation coalition event and says farmers would like to see a return of barge traffic because it would mean lower costs for fertilizer coming up-river and lower shipping costs for commodities going down. He says river traffic would, as it always has, put downward pressure on prices on other shipping modes.

The Corps of Engineers will begin a $25 million study of the Missouri in October and plans to ask for all interested parties to offer their hopes for the river. The Corps operates six dams and reservoirs along the mainstem of the river.

Tax vs. Fee: A comparison

Origin: St. Louis.
Destination: St. Paul.
15-loaded barges moving 665 miles.
Fuel burn: 4,000 gallons per day.
26 locks.
8-day transit time.

Using fuel tax:
665 miles / 75 miles per day = 8.86 days (rounded to 8).
4,000 gallons per day / 8 days = 32,000 gallons per 8-day period.
32,000 gallons x $.20 per gallon fuel tax = $6,400.

Using lockage fee:
26 lock x 15 barges x $50/barge = $19,500

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unless Congress and the Corps come to grips with vast and expensive project delays and cost overruns which drain the Trust Fund beyond its capacity to regenerate itself.

To address this issue, the industry is urging members of Congress to reject the proposed lockage tax and to support the ongoing "white paper" process involving the Inland Waterways Users Board and the Corps. This process seeks to develop a list of prioritized navigation projects and then determine how to expedite their construction and pay for them.

More Unresolved Issues include the not-openly-acknowledged existence of the environmental consequences of a modal shift if freight were to be forced away from barge to rail or truck. Reports by Minnesota Department of Transportation, U.S. Maritime Administration, and the Texas Transportation Institute reflect that in terms of CO_2 produced per ton of cargo moved, inland barges have a significant advantage over the other modes; rail emits 39% more and trucks emit 371% more.

Unfortunately, inland waterway's smaller carbon footprint continues to go unrecognized by the greater environmental community, the general press, and by extension, by most inside the Beltway.

One Last Issue

Some folks have a tendency to overlook the fact that rivers run downhill, eroding their banks and carrying that material downriver where it settles as the river loses speed. In the case of the Minnesota River, some material settles in the private slips of river-dependent industries, some in the main channel and the rest goes merrily downriver to Lake Pepin and beyond.

Upriver interests don't have to contend with the expense of dredging or disposal of dredged material as do interests in the lower river. It falls to those in the lower reaches to clean up the mess nature sends downstream. That is why our Association joins others in continuing to argue for assessment of all watershed property owners when the District seeks to raise revenue to fund the acquisition and maintenance of disposal sites. Industrial interest do not object to paying its fair share, but balk at the notion of paying 100 percent of the cleanup cost when they have no control over how much needs to be cleaned up.

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