

Waterways

A publication of the Upper Mississippi Waterway Association

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President's 2011 budget proposes...

Millions for area construction

UMWA members know that President Barack Obama's proposed \$3.8 trillion budget is just that: a proposal that will bear little resemblance to the finished 2011 fiscal year budget passed by Congress. However, the massive document did contain some interesting numbers for Minnesota and Wisconsin.

In its analysis, the Office of Management and Budget (OMB) says that the administration proposes \$802 million for construction and improvements to roads, highways and airports in Minnesota. The Wisconsin figure for similar spending is \$867 million. OMB also shows \$21 million for restoration work along the Upper Mississippi River and puts those dollars in both the Minnesota and Wisconsin spending figures.

At the same time, the White House proposed cutting the overall budget for the Army Corps of Engineers by about 10%. Budget drafters say the Corps should focus on flood risk management, ecosystem restoration and commercial navigation and hydropower as priorities for fiscal 2011.

Some other river items noted recently:

- In Minneapolis the city council has just approved spending about \$1.4 million on riverfront security. The dollars involved come from federal port security funds and will pay for more security cameras, a river-centered command center at the Minneapolis emergency operations center in Fridley and boat



(Above) The Mississippi River in Minneapolis will be under closer scrutiny with new cameras and other security enhancements recently approved.

facilities along the river in Minneapolis.

- Dick Lambert, director of ports and waterways for the Minnesota Department of Transportation has finalized his river tonnage figures for 2009 and says that total river tonnage into and out of the state's river terminals was 10,803,428 tons.

As he said in *Waterways* last month, southbound tonnage improved about 84% from 2008 and totaled

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From the Executive Director...

Federal Transportation Outreach

Several weeks ago, the U.S. Department of Transportation made a visit to Minneapolis under the banner of Transportation Reauthorization Outreach Tour. The stated purpose of the tour was to solicit the views of key stakeholders on ways to improve the delivery of surface transportation programs.

Headed by Congressman Oberstar, a strong supporter of infrastructure and Chair of the House Committee on Transportation and Infrastructure, the D.C. contingency included Transportation Secretary Ray LaHood, Minnesota Senator Amy Klobuchar, along with Minnesota Representatives Betty McCollum and Keith Ellison. Also at the dais were mayors Christopher Coleman of St. Paul and R.T. Rybak of Minneapolis.

What the President Wants

Most of the talk at the plenary session addressed the need for inter-agency cooperation, local-regional collaboration and immediate job creation. Not surprisingly, nothing much was offered in terms of immediate relief from funding shortfalls and, while offering little on how to make it happen, most made it clear that the President wants a robust transportation program.

Federal and State DOTs to be Restructured

During his presentation, Chairman Oberstar announced that a plan is being considered to restructure the federal Department of Transportation. This makeover, he suggested, would include changes in cost-benefit ratios to better prioritize highway and transit programs as well as the creation of better timetables to complete projects on time and within budget; details were not announced. The Chairman also stated that the reform process would address ways to create one million new construction jobs, along with possible restructuring of state DOTs.

Waterways Not Discussed

Understanding that the only water-related agencies of the federal DOT are MARAD and the St. Lawrence Seaway Development Corporation, we were under no

illusion that the January meeting was intended to include commercial navigation, or how barges contribute to safety and livability, which were other conference agenda items.

That said, we were reassured that the Chairman had not forgotten freight transportation in that he made a comment that the restructuring of U.S. DOT would include issues related to mass-transit, non-motorized transportation (read walking and biking) and freight. Hearing that immediately brought to mind an earlier Minneapolis Forum where the Chairman talked favorably about public-private partnerships.

Private Partnerships Not Discussed Either

In the fall of 2007, Chairman Oberstar visited Minneapolis where his Transportation Forum made the case that a public-private partnership is an alternative way to provide much needed transportation financing. One of the speakers at that forum, a former Secretary of Illinois DOT, justified Chicago's sale of the federally built Chicago Skyway to a Spanish-Australian consortium for \$1.8 billion. Under a 99-year lease agreement the new owners receive all toll and concession revenues and are responsible for all operating and maintenance costs.

During that time there were additional transactions around the country in which public infrastructure was sold to private organizations, and according to the financial press, another dozen or more could fetch state governments an additional \$80 billion.

Given the strong argument made for this funding alternative just two years earlier, we thought it odd that the January session did not include that financing concept. It's possible this unspoken lack of support can be laid off to the exit of the Bush Administration, but with the crash of the housing, Wall Street and banking bubbles, one would think that the notion of partnerships still has merit regardless of which party occupies the White House.

Paradigm Shift

The January forum did an excellent job of exploring transportation projects for future DOT funding. And even though waterway transportation was not part of

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the discussion, we do not deny the others their day in the sun.

We do, however, think that national transportation policy would be enhanced by a paradigm shift which recognizes that rail and truck are not the only surface modes that haul freight, or that they offer the last word in ways to enhance safety, livability or lifestyle.

National Transportation Policy Needed

It has been established by at least three well-publicized studies (two by the Minnesota DOT and another by Texas A&M University) showing that the carbon footprint of water transport is significantly less than that of rail or truck and that economic and environmental issues are enhanced, as barge transportation is less costly to the shipper and less damaging to the environment.

It therefore follows that a national transportation policy that recognizes this fundamental, and the niche in which each mode best functions, would insure that the nation's transport bill is no higher than it needs to be and that the condition of the environment is as good as it possibly can be.

Industry & Port Partners Day set

UMWA members are invited to the 2010 U.S. Coast Guard's Industry and Port Partners Day, Feb. 25, in the Bishop Henry Whipple Federal Building at Fort Snelling.

Topics include the un-inspected towing vessel program, environmental issues, licensing and Regional Exam Center issues, bridge issues, NOAA's flood predictions for the local area and discussion of navigation improvements and embankment work by the Army Corps of Engineers.

If you'd like to attend please RSVP to joseph.k.dentry@uscg.mil. Include your name, email address, organization and phone number. There is no cost for the event and no lunch will be provided. The building does have a cafeteria across the hall from the conference room.

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over 6.4 million tons.

- On the lower river, a joint study by the Louisiana Department of Environmental Quality and American Waterways Operators (AWO) showed that barge traffic is truly environmentally friendly.

Air samples taken from May to September of last year show that when ozone causing volatile compounds reached a trigger point, less than five percent could be traced to river traffic. There were 76 samples taken during the study.

Mark Wright, southern regional vice president for AWO says a similar study done in the Memphis area shows similar results.

- In a guest opinion piece in the January 31, edition of the *Des Moines Register*, Secretary of Agriculture Tom Vilsack laid out six approaches for creating growth and opportunity. First among them, he said, is expanding exports. "Agricultural exports represent 9 percent of total American goods exported despite the fact that agriculture represents about 1 percent of total gross domestic product. We enjoy a trade surplus in agriculture, and should do all we can to promote expanded exports."

However a February 7, *Des Moines Register* reply by Mike Steenhoek, executive director, Soy Transportation Coalition, pointed out that Vilsack's approach lacks a critical focus.

"Rural America must be provided with an efficient, robust and reliable transportation system to ensure continued success in our agricultural sector."

After pointing out problems with bridges and rural roads, Steenhoek says, "Our locks and dams, particularly along the upper Mississippi River, have not received meaningful investment for decades.

"I encourage Vilsack and other leaders to recognize that the path to rural renewal requires attention to the under-appreciated transportation system that accommodates the journey from farm to dinner plate."