

# Waterways

A publication of the Upper Mississippi Waterway Association

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Midwest could become...

## ‘The Saudi Arabia of food’

Writing in the Internet’s influential *Huffington Post* blog, scholar and author Raymond J. Learsy, says a massive drought in Russia this past summer has caused a, “stirring that has the potential of becoming a game changer, a uniquely American game changer.” When Russia responded to its problems by embargoing the export of wheat, Learsy says the price of grains exploded and reserves were drawn down worldwide.

In his *HuffPost* column, Learsy says the United States is now the largest grower and exporter of corn and wheat and is second only to Brazil as an exporter of soybeans. And he says, a continuing demand for better diets around the world will make the U.S. ability to grow and export grains more and more significant.

“Now is the moment for a government with vision to lay the groundwork and prepare the breadbasket of America to renew itself and prepare for the destiny that will be thrust upon it,” he says. “Instead of more overbuilt highways, now is the moment to improve the infrastructure servicing this sector such as refurbishing and extending our inland waterways system over which most of our grain is transported.

“The Midwest is blessed with vast expanse of fertile and great human talent as nowhere else in the world, coupled with an extensive inland waterway system permitting crop production to reach world markets.”

Learsy goes on to say that the Midwest has the potential of becoming “the Saudi Arabia of food” if foresighted, long-term policies are initiated. Learsy is the author of the book “Over a Barrel: Breaking Oil’s



Above: This year’s harvest was bountiful in the Midwest and kept river terminals very busy. At times barges were in short supply, especially on the Upper River.

Grip on Our Future.”

### Another game changer

The recent elections were also a potential game changer on transportation policy. Minnesota Congressman Jim Oberstar was defeated after 18 terms in Congress and nation-wide Republicans took control of the U.S. House. Florida Republican John Mica is expected to take over as Chair of the Transportation

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## From the Executive Director...

### Green !

The Federal Reserve Bank of Minneapolis last month published a compelling article about the definition, scope and financial promise of green jobs and the new opportunities they offer. But, as is often the case, whenever 'new' is mentioned, the here-and-the-now is ignored.

The Federal Reserve's *fedgazette* (October 2010) stated that North Dakota, with just over 800 wind turbines, is capable of generating 1,300 megawatts of electricity, enough to power almost 400,000 homes, all year. It further reported that the Peace Garden State has the largest wind-power potential of any state, upwards to 120,000 megawatts.

According to the American Wind Energy Association (AWEA), the nationwide total of wind power capacity is over 35,600 megawatts, generating enough to power the equivalent of 9.7 million homes. Using that and U.S. Census 2009 data, that's enough electricity to power about 1 out every 4 housing units in the U.S.

The publication further reported that an environmental advocacy group claimed, that if done right, the wind industry can create thousands of jobs and revive the economic base of many Minnesota communities. The public affairs office of the Federal Reserve Bank is located in Minneapolis.

### Great Expectations

Ronald A. Wirtz, the article's author, made job comparisons of megawatt production against competing fuels. The new Prairie Wind development in Minot, for instance, produces 115 megawatts with eight employees – about one job for every 14 megawatts of capacity.

The owner of the Minot wind facility, Basin Electric Power Cooperative, is also building a 300-megawatt natural gas power plant in South Dakota, which expects to employ 31 full-time employees, or about one worker for every 10 megawatts. In addition to using wind and natural gas, that same cooperative is also building a new 385-megawatt coal-fired power plant in Wyoming which will employ 80-85 when fully operating, or about one worker for every 5 megawatts. The coal project will also employ 1,200 during peak

construction, compared with about 230 for Prairie Wind where the peak construction period is shorter, according to Mike Eggl, a senior vice president for Basin Electric.

By these measurements, wind power produces the most energy per worker, 14 megawatts; natural gas is second at 10 and coal is last at 5. However, high efficiency and the free 'fuel' of wind turbines flies in the face of claims by environmental advocacy groups that green energy can create thousands of jobs and revive the economic base of many communities. The promise of creating thousands of jobs may be possible if manufacturing jobs are included. The trouble with including plant construction jobs is that assembling a turbine or carbon-burning power plants is, in itself not 'green'.

Xcel Energy, with the most wind-generated power of any electric utility in the country says it is hard to quantify the specific effect of the green movement on company employment. Beth Chacono, environmental policy manager for Xcel stated that "I know [the green economy] gets a lot of press, but we're not sure there is job creation."

### Green Wind Energy, Fact or Hype

AWEA states that approximately 85,000 people are employed in the wind industry with jobs as varied as making, constructing and installing wind turbines, operation and maintenance and other functions. Yet, at the end of their wide-ranging discussion of green issues and promised jobs, the *fedgazette* concludes by stating that those hoping for an extended green makeover may be disappointed. Ten years ago, the high-tech industry was the ticket to never-ending growth, with health care, biotech and telecom having its turn. While each has been an important economic development, each has its limits. "The enthusiasm for green is not a new thing, it's a grasp for the *next* new thing", said Steve Hine, director, Minnesota Labor Market Information Office.

Fortunately, the movement to be more environmentally friendly is changing consumers' preferences and will likely continue and even accelerate, given greater recognition of environment costs of burning fossil fuels. Green is a long-term trend in our economy, speculates Barbara Wagner of the Montana Department of Labor and Industry.

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## *Midwest from 1*

and Infrastructure Committee and is already telling reporters he intends to closely review transportation spending under the 2009 economic stimulus package.

Mica told Reuters that he hopes to put together a six-year transportation spending plan by next spring and says it will rely less on federal spending while trying to attract private investment for road, rail waterway and other infrastructure.

In a news release after the election, Mica said, "Among my top legislative priorities will be passing a long-term federal highways and transit reauthorization, a long-overdue Federal Aviation Administration reauthorization, a new water resources measure, and a long-term Coast Guard reauthorization."

There are also rumors that Wisconsin Representative Thomas Petri will be named to head the important Highways and Transit Subcommittee. Sixteen Democrats on the Transportation and Infrastructure Committee lost their seats in the November election. Overall, there are likely to be 20 new members of that committee when the new Congress convenes in January.

As for Oberstar, who is known as "Mr. Transportation" in Washington, there's already speculation that he might be named Secretary of Transportation in President Obama's cabinet.

## **Swing Bridge will be completed**

Crews in Inver Grove Heights have begun removing damaged decks from the Rock Island Swing Bridge after an early November fire that was apparently caused by a welding rig.

The city has said it is committed to finishing the recreational project, but the opening will be delayed at least until next spring. At the time of the fire, the bridge, which is being turned into a 670-foot fishing and observation pier, was about three weeks from completion. The bridge was built in 1890s and carried trains and cars for almost 100 years.

Spans four and five, part of the original bridge, were burned in the fire and will be replaced.

## *Exec. Dir. from 2*

### **Green Barges are Here-and-Now**

While green may be new to some, it is part of the here-and-now in the form of barge transportation. It's not our intent to preach the ecological benefit of barges to the choir, but to engage the understanding of those within earshot. It is important for regulators and lawmakers to understand that each year, the inland waterways transport 624 million tons of cargo. Using the matrix that 1 million tons of barge cargo equates to 667 barges, 40 thousand trucks or 10 thousand railcars, 624 times any of those last three numbers is jaw dropping.

If not for water transport via barge, there would be an additional 24.9 million trucks on U.S. streets and highways each year; exasperating commute time, adding to air pollution and increasing accident rates.

Rail traffic would require 6.2 million more freight cars, adding to congestion and increasing at-grade crossing accidents throughout the country. Rail diesel engines, too, add to air pollution.

Not by accident, barge transport is the most energy-efficient way to move commodities such as coal, grain, iron, steel, and other bulk commodities, as it can move one ton of cargo 576 miles per gallon of fuel; rail would move the same ton of cargo only 413 miles and truck only 155 miles.

And for those within earshot, please understand that the barge industry is not anti-rail or anti-truck. Each mode has its own logistic niche and all transport modes use fuel and produce air pollution. However, because barge transport uses less fuel and carries a ton of freight more miles than other modes, it produces less air pollution, making it the clear choice for the environment.

Now that's green!

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