

Waterways

A publication of the Upper Mississippi Waterway Association

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At historic 84th meeting...

New UMWA leaders elected

UMWA's 84th Annual Meeting held at Southview Country Club in West St. Paul, MN on Sept. 16, was many things: Productive in that it was an engaged and energetic first post-merger Annual Meeting; Informative in that our guest speaker pulled out all the stops as he covered Washington and the waterways; and Bittersweet in that UMWA lost the services of a forceful, competent leader and good friend.

New Officers

Officers elected at that meeting for 2011 were Chairman, Board of Directors, **Al Christopherson**; President **Mark Caspers**, CCI; Vice President **Greg Genz**, Kaposia Marine; Secretary **Jim Bareksten**, CHS Inc and Treasurer **Kent Pehler**, Brennan Marine Inc. In addition, the officers also form the Executive Committee and are included in the newly elected Board of Directors. The other ten members of the fifteen-member Board are **Dan McGuinness**, Dan McGuinness & Associates LLC; **Jerry Christensen** River Services; **Scott Dohmen**, CF Industries Inc; **Jim Macoskey**, Portable Barge Service Inc; **Kyle Makarios**, North Central States Regional Council of Carpenters; **Tim Paurus**, CHS Inc; **Rick Voigt**, Voigt Consultants LLC; **Mike Wilson**, Wilson Oil; **David Johnson**, Tow Inc and **Tom Johnson**, U.S. Salt Inc.

During the Annual Dinner, the U.S. Coast Guard presented three UMWA members with Admiral Flag Letters in recognition for their "exemplary participation" in that agency's Towing Vessel Bridging Program. Essentially the bridging program was



(Above) Chmn. Al Christopherson addresses the UMWA annual meeting

initiated to ease the transition and ensure that both the Coast Guard and the towing industry are informed and prepared to meet new standards mandated in earlier legislation and to be finalized in Subchapter M. The three UMWA members are **Aggregate Industries**, **Brennan Marine Inc.** and **Upper River Services**.

Infrastructure needs

Guest speaker, **Cornel Martin**, President & CEO, Waterways Council, Inc, made an excellent

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From the Executive Director...

Election Talk.

The latest Administration offering to improve the nation's infrastructure was made in early September by President Obama in Milwaukee. Obama offered a plan to renew and expand the nation's roads, railways and runways. Why the 3-R list didn't include rivers is anyone's guess; perhaps it's the old bugaboo out-of-sight, out-of-mind. Then again, it might be that the CEQ has already made this point moot by muscling into WRDA.

Funding is sketchy

According to the White House, funding for these improvements would be covered by Congressional enactment of a new up-front infrastructure investment program along with a long-term reauthorization that reforms such investments. To jump-start job creation, this long-term policy provides a \$50 billion up-front investment. However, no estimate of the total cost of the Plan was included.

Confusingly, the *Wall Street Journal* reported that President Obama "... proposed spending \$50 billion next year on highways, airport and railway construction." That statement aside, the cost of the second stimulus package, as it's been called, is commonly understood to be \$50 billion for the entire package, not an annual amount.

Intent trumps price tag

Whether the \$50 billion is a one-year investment or a multi-year promise seems to miss the point. The fact remains that the President has proposed to expand investments in areas like safety, environmental sustainability and livability, all hallmarks of barge transportation, while not including waterways in the matrix. Despite valiant and repeated efforts, industry's message that water transport is the most economical and least damaging to the environment has not yet snagged the attention of Congress or the Administration.

In our opinion, the timing of an address in Milwaukee, historically a capital goods manufacturing center and labor stronghold, was a tailor-made venue to make yet another stimulus promise to an audience hungry for positive news and to pump-up votes for local Democratic candidates.

As to why river transport was not mentioned is probably due to Milwaukee's historic and strong connection to the Great Lakes made possible by the expansion of the St. Lawrence Seaway in the 1950s that brought international trade to the city. By not mentioning the waterways, the speech offended no one, since no one in Milwaukee relies on river transport.

Council on Environmental Quality

But another reason why river transport has not been included in the President's speech is the CEQ.

As reported by the waterway press earlier this year, the White House Council on Environmental Quality (CEQ) has taken over the review of new guidelines for how the Corps of Engineers handles water projects; a move that is not popular with waterway users or Congress, which ordered the Corps reforms as part of the tough battle to pass WRDA 07.

The CEQ's revised principles and guidelines for the Corps were referred to the 13-member National Academy of Sciences committee for review and recommendations. According to WCI, that committee is in the final phase of review with the expectation that the Academy's final comments and recommendations will be released in mid-November.

Referring to the CEQ's proposed guidelines, Amy Larson, president of the National Waterways Conference expressed concerns that the proposal elevates environmental considerations at the expense of economic ones.

Larson and others recently testified before the House Transportation and Infrastructure Committee which, while critical of the Corps for being slow to implement reforms, also was annoyed at the White House muscling in on WRDA. They've underfunded the Corps in their proposed budget for 2011, said Rep. James Oberstar, committee chairman, who earlier cited locks on the Mississippi and Illinois rivers that need to be lengthened.

Given the abbreviated time prior to mid-term elections and the lame duck status thereafter, Congress is not expected to act on the President's 3-R plan during this session.

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Similar bills – similar circumstances

Another Transportation bill not likely to see action this session is S 1036 / HR 2724, companion bills to establish national transportation goals, create a national surface transportation plan and create a fee to pay for it.

This bill would apply to all air, rail, pipeline and water transportation and was initially reported in this column in November 2009.

Among other things, the bill requires that recipients of Federal surface transport funds must annually report the projects, rationale for appropriating funds and how these projects serve the goals of the new legislation.

Testimony by the bill's co-author, Sen. Frank Lautenberg, specifically refers to barges, trains and trucks as well as the need to make better use of trains and barges to reduce highway and corridor congestion. To remove misunderstanding, the Senator stated he is not saying trucks are not important. Instead, he maintains that barges and trains need to become *as* important.

One of five witnesses invited to participate in a June 2009 hearing argued for creation of a new federal program and a Freight Trust Fund (FTF). To meet the challenges of an expected doubling of freight movements by 2035, a representative of the Mississippi Department of Transportation (MDot) requested that a \$10 billion annual level be incorporated in the bill's mark-up legislation for a new discretionary freight program."

Maresk, Inc, the only witness from the maritime industry, stated that most conversations and policies about "surface transport" don't include maritime considerations, thereby excluding a 'greener transportation alternative' provided by ports, marine transportation and waterways.

To fund the FTF, MDot supports a 1% fee on all bills of lading that would raise the needed \$7 to \$10 billion annually.

Capital Development Plan Deserves Airing

The companion bills are eerily similar to the measure President Obama proposed at the Milwaukee event, and both promise to be more effective by focusing on projects based upon demonstrated value, while conflicting with each other on details.



(Above: CDR Steve Teschendorf presents Admiral's letters to Lee J. Nelson, Upper River Services; John Pechacek, Aggregate Industries and Kent Pehler, Brennan Marine.

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presentation covering the infrastructure needs of the waterway industry as well as the political gyrations common to mid-term federal elections. Perhaps Cornel's most important message was his disappointment that President Obama's recent \$50 billion national infrastructure project is mute on waterways, the most eco-friendly and efficient of bulk transport modes. Mr. Martin also commented on the invasive Carp issue, the Missouri River Authorization Study and the need for wider support of the Inland Waterways Capital Development Plan. This Plan, formulated by an industry and U.S. Army Corps of Engineers working group to fund the navigation system over the next 20 years would be in lieu of the imposition of a lockage fee that has been unsuccessfully offered in the last two fiscal year budgets.

And finally the Board said a poignant goodbye to President **Richard Kreider** as he announced his departure from CCI and the area. "We're going back home", he said of his new opportunities in the Pennsylvania area. Active in the Association since the early 2000s, Rich was appointed to the Board and named Vice President in 2004, whereupon he quickly displayed leadership aptitude and skills. Rich was elected to President in 2006 and, to preserve organizational continuity, agreed to serve multiple terms through the UMWA/RRA merger until its completion in early 2010.