

Capitol Currents

March 22, 2007



Lt. Gen. Robert L. Van Antwerp awaits confirmation as the next Chief of Engineers. Page 13.



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CONGRESS TACKLES WRDA, SPENDING BILLS

MOVING AT A PACE ALMOST LIKE THE STORIED MARCH LION, Congress is tackling the long-delayed authorization of pending water resources projects, holding background hearings on timely navigation issues, and aiming for a mid-May mark-up of FY 2008 civil works appropriations bills. Meanwhile, the Administration finally cleared work plans this week for the remaining two quarters of FY 2007, almost five weeks after enactment of the final Joint Funding Resolution.

WRDA. The House Transportation and Infrastructure Committee last week approved the Water Resources Development Act of 2007 (H.R. 1495) in much the same form as passed in the last Congress. The Senate Transportation and Infrastructure Subcommittee is expected to follow suit, with mark-up of a slightly revised version of its 2006 bill next week, perhaps on the same day that the House considers its bill.

Except for Louisiana hurricane-protection authorizations, de-authorization of the Mississippi River-Gulf Outlet, and addition of a carp barrier on the Mississippi River north of St. Louis, no new projects or policy changes were added in the House bill. The Senate version will again include tough independent review provisions. This means that House-Senate conferees will have to work out differences in the two bills.

APPROPRIATIONS. Both the House and Senate Appropriations Subcommittees on Energy and Water Development held hearings last week on the President's FY 2008 civil works budget request. Although it includes



Leadership Service Award. Sen. Robert C. Byrd was honored at the Waterways Council's spring meeting last month. He is shown with WCI Pres. R. Barry Palmer and his award. For full coverage, see Page 9.

record funding for high-priority navigation projects, lawmakers expressed disappointment in the overall budget, which is about \$458 million less than Congress included in the FY 2007 Joint Funding Resolution.

At the hearings, Administration witnesses were criticized for the lack of a long-range vision for the civil works program and for ordering that the Great Lakes and Ohio River Division's five-year development perspective be removed from its website. Corps of Engineers officials were also quizzed about the need for better project prioritization and broader criteria in making funding decisions. ♦

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Sen. Feingold Pushes Peer Review, Prioritization

As the lead-off witness at a Senate Environment and Public Works (EPW) Subcommittee hearing, Sen. Russell D. Feingold (Wisconsin) renewed his campaign for “Corps reform.” “We have an historic opportunity to reform the



Waiting to testify. Sen. Russell D. Feingold (Wisconsin), seated at the witness table, ready to argue for “Corps reform” at last week’s Senate Transportation and Infrastructure Subcommittee hearing.

beleaguered Corps, and we must seize this chance,” he testified. “We... cannot go weak on reform just to get a bill through.”

Sen. Feingold and Sen. John McCain (Arizona) last month introduced legislation (S. 564) which would restore the U.S. Water Resources Council (WRC) and charge it with developing a prioritized list of all authorized Corps water resources projects. The bill would also require WRC to work with the National Academy of Sciences to propose periodic revisions the Corps’ planning principles and guidelines.

OUTLOOK. Many environmental groups support “Corps reform” but it is questionable the Senate panel, because of its agreement with the counterpart House committee, will add any new policy provisions to the pending measure. EPW Chmn. Barbara Boxer (California) said this year’s bill will include a Feingold-McCain amendment that was approved last summer. It would institute peer review supervised by a “director of independent review” in the Pentagon. ♦

Corps Already Employs Prioritization Processes

At the Senate EPW hearing, Sen. George V. Voinovich (Ohio) bemoaned declining budgets for water resources construction projects and suggested that the pending WRDA should include prioritization language, except that Committee Chmn. Boxer had stated that the legislation would contain “the same language” as last year’s bill. “That’s unclear,” responded Sen. Max Baucus (Montana), chairman of the subcommittee.

Lt. Gen. Carl A. Strock, the Chief of Engineers, testified there was already “a lot of prioritization” in the FY 2008 budget request. Current budgeting processes represent “a method of prioritization,” he said, in allocating funds to projects enhancing dam safety, national priorities, life-saving benefits, and mitigation requirements as well as high-performance projects (with at least a 3-to-1 benefit/cost ratio) and completion of projects with at least 1.5-to-1.0 b/c ratios. ♦

WATERWAY LINKAGES. For its sixth production plant in the U.S., Toyota picked a site near Tupelo, Miss., not far off the Tennessee-Tombigbee Waterway. Officials expect Toyota to use the waterway to import heavy and over-sized equipment during construction of its \$1.3 billion plant and also bring in steel coils to build 150,000 Highlander cross-over utility vehicles annually. Tenn-Tom also helped attract the \$880 million SeverCorr steel plant, now under construction near Columbus, Miss. After its completion, some 1 million tons of raw materials such as pig iron and scrap will be barged into the mill’s own river terminal. ♦

House Panel Promises Another WRDA to Follow

The House version of WRDA includes mandatory peer review of all projects if their cost exceeds \$50 million or if the projects are deemed to be controversial. When the House Water Resources and Environment Subcommittee took up the new WRDA bill last week, Chmn. Eddie Bernice Johnson (Texas) asked her colleagues “not to be alarmed” because no new projects had been included. Once those projects awaiting authorization are cleared, she promised that another WRDA would be developed later in the current Congress.

Congr. James L. Oberstar (Minnesota), chairman of the full Transportation and Infrastructure Committee, said all environmental infrastructure projects had been stripped temporarily from the bill. They would authorize projects to deliver public drinking water supplies and treat municipal wastewater, but the Administration regards such projects as EPA responsibilities, making these provisions a thorny issue in last year’s deliberations.

NOTE. An effort may be made on the House floor to restore funding for the environmental infrastructure projects. If they fail to get it added in committee, Sens. Feingold and McCain may try again on the Senate floor to insert a provision setting up an interagency committee to prioritize Corps projects. ♦

FOREIGN TRADE. In 2006, U.S. exports and imports reached a record level. According to the U.S. Census Bureau, America’s waterborne trade totaled 1.38 billion tons worth an estimated \$1.28 trillion.

Compared to 2005, ocean commerce was up in both volume (+2.4%) and value (+14.1%). Five countries accounted for one-third of the total tonnage: Mexico, China, Venezuela, Canada and Saudi Arabia. ♦

Sen. Baucus Voices Competitiveness Fears

At the House and Senate hearings last week, numerous lawmakers expressed disappointment with the President’s \$4.87 billion request for civil works in FY 2008 and its effect on the water resources infrastructure. “I think we are slipping dramatically,” said Sen. Baucus, mentioning billion-dollar port projects in China. “It’s just stunning what they are doing.”

“The two things government should spend money on are defense and infrastructure,” said Sen. James M. Inhofe (Oklahoma), ranking minority member of the Environment and Public Works Committee. “The state of our infrastructure is deplorable.” Sen. Voinovich agreed, “Our infrastructure is collapsing due to insufficient funding.”

IN THE HOUSE. “Our infrastructure is aging, and much of it is functionally obsolete,” said Congr. Peter J. Visclosky (Indiana), chairman of the House Appropriations Subcommittee on Energy and Water Development. “In this light, the Administration’s request is woefully inadequate to meet the existing requirements, much less provide for the water resources needs of tomorrow.” ♦



Here’s how a lock works. Dale J. Roth, left, of the St. Louis Carpenters District Council of Greater St. Louis and Vicinity shows a model of a navigation lock to a curious farmer at the recent Commodity Classic. It brought together corn, soybean and wheat growers for the annual conference, held earlier this month in Tampa.



Lawmakers visit Emsworth L&D. On a cold winter day, Sen. Arlen Specter, right, and two Congressional colleagues inspected Emsworth L&D on the Ohio River to get a first-hand look at its run-down condition. Pictured, from left, are Michael Welsh, business representative of Pittsburgh Carpenters Union Local 2274; Congr. Jason Altmire (Pennsylvania); Col. Stephen L. Hill, commander of the Pittsburgh District; and Congr. Tim Murphy (Pennsylvania).

Where Would Corps Put Additional Funds?

At his subcommittee hearing, Chmn. Visclosky posed a question. Assume the Corps of Engineers had more funding for civil works, where would it put those additional bucks if they just “magically appeared”? Asst. Secy. Woodley ventured a response:

“We would have to be concerned about obligations that exist due to prior reprogrammings,” he said. He also expressed support for additional harbor dredging, more hydropower facility rehabilitation, and increased O&M expenditures. Mr. Woodley also expects to see “very significant requirements” for future construction, dam safety measures, California flood damage reduction, coastal Louisiana restoration, and Everglades programs. ♦

CARNEGIE MEDALS AWARDED BOAT CREW

The pilot and three crew members of the *Mv Rocket* received Carnegie Medals last week for rescuing the captain and a crew member of another towboat, the *Mv Elizabeth M*, after swift Ohio River currents swept it and three loaded coal barges through an open flood gate of Montgomery L&D in the early morning hours of January 9, 2005.

Charles L. Montgomery, Donald L. Brown, Robert F.M. Cornman and Thomas W. Siegler were honored for their heroism in pulling Capt. George A. Zappone and John A. Thomas, Sr., from the cold, turbulent waters below the dam.

Along with their Carnegie medals, each received a \$5,000 grant. ♦



CONGR. HOBSON WANTS CIVIL WORKS ‘VISION’

At the House appropriations panel hearing, Congr. David L. Hobson (Ohio), the ranking minority member, urged the Corps to “make smart project choices, find better criteria, ...provide full disclosure of out-year funding requirements, honor prior commitments and finish what we start.” If the Corps had “a plan, a long-term vision,” he believes, “we wouldn’t have near the [funding] problem that we have today.”

OMB has resisted development of long-range plans and has kept the Corps from providing a list of its top 10 problem areas, Congr. Hobson said. “It seems inconceivable to me that we don’t know what the top 10 [water resources] problems are in this country that we need to fund.” OMB doesn’t like to elevate expectations for future spending.

CHALLENGE. Nevertheless, John P. Woodley, Jr., Assistant Secretary of the Army (Civil Works), said the Corps’ five-year plan, now overdue, would be submitted to the panel “by the end of the month.” But Gen. Strock said “the unpredictability of funding” made it difficult to put a long-range plan in place. ♦



From one chairman to another. As a token of their friendship, Congr. Peter J. Visclosky (Indiana), right, new chairman of the Energy and Water Appropriations Subcommittee, gave an Ohio State football helmet to his predecessor, Congr. David L. Hobson (Ohio). It was inscribed, “Congratulations on four winning seasons” as the panel’s chairman.

‘Perspective’ Purged From Corps Website

Later in the same hearing, Gen. Strock praised the Great Lakes and Ohio River Division (LRD) for its work in developing “a five-year development perspective” for the Ohio River navigation system. It represents a pilot project, he said, for the basin-wide budgeting process.

But Chmn. Visclosky said Mr. Woodley had instructed LRD to remove the planning document from its website. “Without this kind of information, I do think it is difficult to know how to invest the people’s money,” Congr. Visclosky said. “It sends the wrong message to take it down,” Congr. Hobson added. “To take it down looks bad.” ♦

Website Is Blamed for Lifting Expectations

Mr. Woodley defended his action. “We felt that the material they had on the website, because of the way it was presented, had some potential to mislead and to raise expectations that we might not be able to fulfill.”



He thought the website should state it was a work in progress, “a local work product,” and did not “represent recommendations that the Administration would be making to Congress.”

The planning perspective was posted on the LRD website in February 2006 and removed six weeks later. It was still down at the time of the hearing but subsequently ordered reinstated. But the content is the older, now superseded FY 2006-FY 2011 version together with outdated 2005 project fact sheets. ♦

Dredging Needs Mount as Fund Surplus Grows



At nearly every Congressional hearing on the Corps' budget, lawmakers questioned why the Harbor Maintenance Trust Fund surplus has ballooned to \$3.6 billion while so many harbor access channels are silting in, forcing ships to light-load. "The funds collected by law for the express purpose of dredging the nation's ports and harbors need to be used for that purpose or the tax should be repealed," said Warren D. McCrimmon, Toledo's seaport director and U.S. chairman of the American Association of Port Authorities.

"Either spend the money in the [trust fund] or dissolve the fund," argued Doug J. Marchand, executive director of the Georgia Ports Authority, at another hearing. But Asst. Army Secy. Woodley said it wasn't that simple.

"We are not able to tap [the trust fund] appropriately because it is on-budget and it scores on-budget," he said. "If we are to do... maintenance dredging somewhere [paid out of the trust fund], then we must forego other critical maintenance in other parts of the system... It's a score-keeping issue." ♦

Mr. Mecklenborg Urges Timely Appropriations



In mid-February, the House appropriations subcommittee held its first hearing, and it focused on the state of the navigation infrastructure. "We must know where we are going and what outcomes we desire," said Chmn. Visclosky, "before we charge ahead with scarce resources that cannot be well spent if we do not give consideration to the future." He added, "I would like to do more than just fund projects here at Energy and Water; I intend to fund national priorities."

Among those invited to testify was Daniel P. Mecklenborg, senior vice president and general counsel of Ingram Barge Co., who is WCI's first vice chairman and general counsel. "Good things are happening on the inland waterway modernization front," he testified, "but much remains to be done."

He called on the Congress to complete its annual appropriations bills before the start of each fiscal year, to authorize and fund Upper Mississippi/Illinois Waterway navigation improvements, and initiate "the structural changes that are necessary to make the dollars appropriated for modernization accomplish much more than they currently do."

He also stated WCI does not support increased user taxes or fees. (See "Mr. Mecklenborg: No New User Fees or Taxes," Page 13.) ♦

Predictable Service Crucial for Barges

Another invited witness was Joseph H. Pyne, president and CEO of Kirby Corp. He said inland and intracoastal waterways, by moving containerized and other intermodal shipments as well as bulk commodities, can ease congestion plaguing surface transportation systems. "If the government wants to encourage intermodal shipments by water, the best way to do this is to make the waterways as safe, reliable and efficient as possible so that we can offer service that is as predictable as it can be..."

"Maintenance is being deferred and the Corps is pursuing a 'fix as fails' maintenance policy in many cases," Mr. Pyne said. "It is the wrong way to maintain our waterways."

"We need to boost investment in O&M to clear the maintenance backlog, then provide for on-going maintenance to ensure high levels of efficiency with limited chances of breakdowns," Mr. Pyne said. "Ignoring the condition of the waterways would be the greatest mistake we could make as a country." ♦



Waterways witnesses. Testifying before the House Appropriations Subcommittee on Energy and Water Development were Joseph H. Pyne, left, of Kirby Corp. and Daniel P. Mecklenborg of Ingram Barge Co. In the background are WCI President R. Barry Palmer and WCI Vice Pres. John S. Doyle.

House Report Seeks ‘Sufficient’ Funding

In its annual “Views and Estimates” report to the House Budget Committee, the Transportation and Infrastructure (T&I) Committee supported increases in civil works funding “to a level sufficient to address the nation’s future needs for navigation, flood damage reduction, and environmental restoration. Our existing aging infrastructure must be modernized and adequately maintained.”

The T&I report, along with those from other committees, will help the House Budget Committee in developing its FY 2008 Budget Resolution, setting spending and revenue targets for Federal agencies. The Senate Budget Committee has finished its resolution, which restores cuts in the civil works program.

EARMARKS. House Appropriations Chmn. David R. Obey (Wisconsin) said earmarks will still be permitted in “accounts which by their nature are project-based, like the Corps of Engineers...” ♦

OMB FINALLY CLEARS FY 2007 WORK PLANS

The Joint Resolution funding civil works and most other Federal programs for the remainder of FY 2007 stripped “earmarks” identifying projects to be funded. To help in determining where available monies should be allocated, each Corps district was asked to prepare “work plans” and submit them by the end of January.

At the time, officials thought that the work plans would be cleared quickly by the Pentagon and White House so “work allowances” could be distributed. The House appropriations subcommittee twice postponed its FY 2008 budget hearing (from February 27 to March 7 to March 13) as it waited for the FY 2007 work plans. The Administration’s review continued until Monday afternoon, and the work plans were released on Tuesday. They can be found at www.usace.army.mil/cw/cecwb/index.html.

GOOD NEWS. The work plans include \$14 million to continue pre-construction engineering and design of Upper Mississippi/Illinois Waterway improvements and strong funding for priority navigation projects. For Users Board-endorsed projects, the plans allocate a total of \$413.2 million in FY 2007 appropriations. ♦

WORK PLAN ALLOCATIONS

Lock & Dam	FY 2006	FY 2007
Robt. C. Byrd	\$905,000	\$1,789,000
Chickamauga	9,900,000	27,000,000
Emsworth	14,850,000	17,000,000
Inner Harbor	11,137,500	4,000,000
Kentucky	22,770,000	20,143,920
Marmet	20,143,920	65,300,000
McAlpine	69,300,000	70,000,000
Mon 2 - 4	50,292,000	62,772,000
Olmsted	89,100,000	110,000,000
Winfield	2,396,000	5,000,000
L&D 3 rehab	1,485,000	500,000
L&D 11 rehab	7,504,200	23,020,00
L&D 19 rehab	17,326,980	6,271,000
L&D 24 rehab	4,256,000	1,454,000

Waterways Teams Make 81 Capitol Hill Visits

Waterways Council officers and members gathered in Washington on the last three days of February for our spring seminar, board meeting, Capitol Hill visits, and sixth annual Leadership Service Award Banquet. In accepting this year's award, Sen. Robert C. Byrd (West Virginia), chairman of the Senate Appropriations Committee, delivered an emotional address describing why he has been such a long-time waterways advocate.

On the final day of the spring meeting, WCI teams visited the offices of 70 Senators and Congressmen to explain to them, as their constituents, the public value of ports and waterways and the importance of adequate maintenance. The following day, the Gulf Intracoastal Canal Assn. organized 11 additional visits to Hill offices. ♦

River Commission Sets Four Public Hearings

The Mississippi River Commission (MRC) has scheduled its annual high-water inspection trip on the Mississippi River next month. Brig. Gen. Robert Crear, commander of the Mississippi Valley Division and MRC's president, said the trip afforded an opportunity to "listen, inspect and partner" with local interests, stakeholders and the public.

Public meetings are planned aboard the *Mv Mississippi* at Caruthersville, Mo., on April 16, Memphis (Mud Island) on April 17, Natchez (Fulton Street Landing) on April 19 and Baton Rouge (City Dock) on April 20. Meetings begin at 9:00 a.m. ♦



Calling on Congressional offices. This WCI team visited Sen. Tom Harkin (Iowa). Shown are Looman F. Stingo of Holcim (US), Inc.; Dale J. Roth of the Carpenters District Council of Greater St. Louis; Sen. Harkin; Richard R. (Rick) Calhoun of Cargo Carriers, Inc.; Larry R. Daily of Alter Barge Line; Jeffrey Brehmer of Holcim (US), Inc.; and Kurt Brunner of the Chicago Regional Council of Carpenters.

Sen. Byrd Endorses Navigation Investment

Sen. Byrd, who received a standing ovation when he was introduced, recounted a 10-day trip he took on the Ohio and Monongahela



Acknowledging ovation. Sen. Byrd waves to the audience following his address. He was introduced by a long-time friend, Charles T. Jones of Amherst Industries/Madison Coal and Supply Co., Charleston, W. Va., who is shown in the background.

Rivers in December 1960, two years after he was elected to the Senate. “Not by coincidence, the timing of my tour coincided with a major initiative by the Corps to overhaul its antiquated locks-and-dams system,” he said.

“I am proud to report that, since 1960, 49 old lock-and-dam projects along the Ohio River have been replaced with 20 new projects,” contributing to an almost three-fold increase in barge traffic – from 105 million tons to 280 million tons. “It has been a great privilege for me to work with the Army Corps of Engineers throughout my years in public service,” Sen. Byrd said. “Thank God for the people of West Virginia!”

“While I cannot promise that monies will start falling off the trees for the Corps, I will continue to support Federal investments that ensure a strong and sustainable economy for our children and grandchildren,” he told the packed banquet hall.

He noted that Gen. Strock was planning to retire in the near future. “Well, I ain’t,” Sen. Byrd said, as the audience cheered loudly. ♦

Stakeholders Must Create Infrastructure ‘Desire’

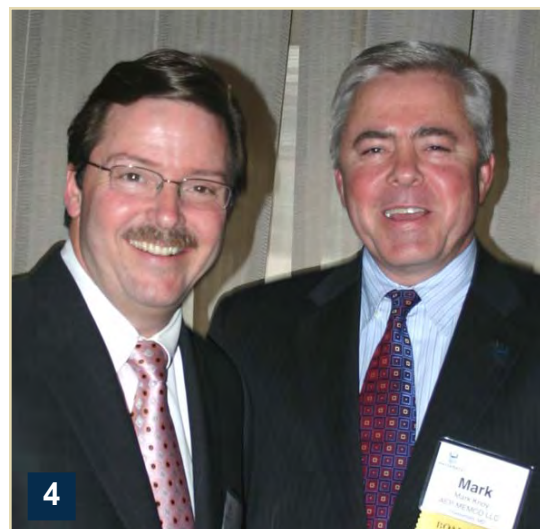
At our seminar, Gary P. Loew, Chief of the Corps’ Programs Integration Division, briefed WCI members on how the FY 2007 work plans were prepared, based on project eligibility and prioritization criteria. Work not funded in FY 2006 could not be considered for FY 2007 funding, he said.

Mr. Loew sees budget decisions moving from project- and need-based concepts to those which are performance- and goal-based. “Our vision will drive the budget,” he said, with the Corps headquarters developing the vision, goals and objectives “in an open, collaborative way” and stakeholders creating “a national desire for a water resources infrastructure that will serve this nation’s economic, quality of [all] life and defense needs, today and into the future.” ♦

Chief of Engineers honored. On behalf of WCI, Gary P. LaGrange, president and CEO of the Port of New Orleans, presented a memento to Lt. Gen. Carl A. Strock, who is retiring as Chief of Engineers. He was saluted for his “enlightened leadership of the New Orleans hurricane recovery efforts and American’s vital civil works program”



WCI SPRING SEMINAR EXPLORES WATERWAYS ISSUES



Scenes at our spring meeting. Photo 1: Paul C. Rohde, WCI's Midwest vice president; James L. Adams of ACBL; and Looman F. Stingo of Holcim (US), Inc. Photo 2: William T. Harder of Great Lakes and Ohio River Division (LRD), James R. McCarville of the Port of Pittsburgh Commission, and Kenneth A. (Ken) Applegate of Valero Marketing and Supply Co.

Photo 3: Berdon Lawrence of Kirby Corp.; Brig. Gen. Bruce A. Berwick, LRD commander; and James D. McConnell of U.S. Steel Corp. Photo 4: Daniel P. Mecklenborg of Ingram Barge Co. and Mark K. Knoy of AEP MEMCO LLC. Photo 5: Joseph H. Pyne of Kirby Corp.; H. Merritt Lane, III, of Canal Barge Co.; and Peter H. Stephaich of Campbell Transportation Co.



AWARDS BANQUET ATTRACTS RECORD ATTENDANCE



Celebrating with Sen. Byrd. Photo 1: Charles T. Jones of Amherst Industries, Inc., WCI Pres. Barry Palmer, Sen. Robert C. Byrd, and Michael G. Morris of American Electric Power. Photo 2: Fred Nyhuis of Marathon Petroleum LLC, O. Nelson Jones of Amherst Industries, and Bruce A. McGinnis of McGinnis, Inc.

Photo 3: W. Deane Orr of CONSOL Energy, Inc.; Maj. Gen. Don T. Riley, Director of Civil Works; and John T. Anderson of the House T&I Committee. Photo 4: Kelly M. Teichman of T&T Marine, Inc., and Tava S. Foret of Foret Enterprises, Inc. Photo 5: David B. Sanford of American Assn. of Port Authorities with William R. Barr and Charles T. Jones, both of Amherst Industries, Inc.



Reviewing presentation. Mike Rogers, left, and Steve Jones of the Mississippi Valley Division check over late information on navigation projects in their division.



Examining financial report. Kevin B. Sparks of Marathon Petroleum Co., LLC, who is our treasurer, and Pres. R. Barry Palmer review WCI financial spreadsheets.

Mr. Harder Praises Lower Risk Levels

William T. Harder, navigation business manager for the Great Lakes and Ohio River Division (LRD), described efforts to assess the region’s waterways performance. With optimum O&M funding over the next five years, he said “acceptable performance levels” at the division’s navigation projects can be doubled. And the President’s FY 2008 budget request showed a “strong recognition of risk issues,” he said, by allocating more than 90% of the funds LRD requested for O&M and construction.

Risk-based budgeting is crucial in making the river system more reliable, Mr. Harder told his audience. But “methodical system performance assessments” must continue. Also, he said the Corps and stakeholders need come up with “a remedy to preclude” costly barge-lock allisions, which take dollars away from the maintenance program. ♦

WCI Hears Reports on River Projects

The WCI seminar also included presentations by Brig. Gen. Bruce A. Berwick, LRD commander, and two Mississippi Valley Division officials: Michael B. Rogers, chief of programs, and M. Steve Jones, deputy operations chief. Mr. Rogers discussed the division’s FY 2008 budget numbers while Mr. Jones described rehabilitation projects on the Upper Mississippi River and Illinois Waterway as well as work on the Gulf Intracoastal Waterway.

Meeting on the first day of the spring meeting, WCI’s Board of Directors reviewed the organization’s finances and membership growth, particularly the recent MARC 2000 merger. Presiding at the session was WCI Chmn. Mark K. Knoy, president and CEO of AEP MEMCO, LLC. ♦

GULF BREEZE. Galveston Offshore Wind LLC has begun installing the first of 50 wind turbine platforms some seven miles off Galveston Island in about 50 feet of water. If all goes well, it will be September before the first wind turbine is put in place and 2010 before all the turbines are installed. The project, expected to cost \$240 million and generate 150 megawatts at peak output, will be first offshore wind farm in the U.S. ♦

Mr. Mecklenborg: No New User Fees or Taxes

Twice last week, on Tuesday and again on Thursday, Asst. Army Secy. Woodley told Congressional committees that the Administration “is developing and will propose” new waterways user fees “this spring” to address the declining balance in the Inland Waterways Trust Fund. But on Wednesday he “got an earful,” according to one observer, when he attended the Inland Waterways Users Board’s meeting in New Orleans.

Board members expressed opposition to new user fees, pointing out that “inefficient” funding added millions of dollars to project costs while delaying project benefits. Issuance of bonds, backed by Trust Fund receipts, was mentioned as an alternative revenue source. To make sure everyone pays the current fuel tax, the possibility of collecting the current fuel tax “at the pump” was suggested. But institution of any new user fees would hurt U.S. competitiveness, Mr. Woodley was told.

“FAIR SHARE.” In his recent House testimony, WCI First Vice Chmn. Dan Mecklenborg said the Waterways Council “does not support the establishment of new taxes on the industry whether these taxes are in the form of fuel taxes or carry the label of user fees or lockage fees... When you look at all the users of the system, we think we pay a fair share...” And the Transportation and Infrastructure Committee said it was “concerned with any proposal to raise the cost of shipping goods along the inland waterway system.” ♦

EARLY START. The St. Lawrence Seaway opened yesterday, one of its earliest ever. Ice-breaking operations began a week ago. U.S. and Canadian ports around the Great Lakes lauded the early Seaway opening, but the environmental Save the River group said lighted navigation aids had not been installed and, in case of an accident, response boats were not available on still-frozen sections. ♦

MR. WHITLOCK HEADS USERS BOARD AGAIN

For the third time, W. N. (Norb) Whitlock is serving as chairman of the 11-member Inland Waterways Users Board. He’s executive vice president-governmental affairs of American Commercial Barge Line LLC. When the Users Board met last week in New Orleans, three new members were present:

Jeffrey E. Brehmer of Dundee, Mich., director-logistics operations for Holcim (US), Inc.; Richard R. (Rick) Calhoun of Minneapolis, president of Cargill Marine & Terminal, Inc.; and Stephen D. Little of Paducah, president and CEO of Crouse Corp. They replaced Gerald W. (Gerry) Brown of Cargill, who was the previous Users Board chairman; Looman F. Stingo of Holcim (US), Inc.; and Mark K. Knoy of AEP MEMCO, LLC, whose terms expired. ♦

Gen. Van Antwerp Waits, Confirmation on ‘Hold’

An anonymous Senate “hold” has raised the possibility of a second hearing on Lt. Gen. Robert L. Van Antwerp’s nomination as the next Chief of Engineers. The Armed Services Committee last week favorably reported his nomination, but the Environment and Public Works Committee may request a hearing since one of its members is believed to have attached the “hold”. Another hearing could keep Gen. Van Antwerp’s nomination from reaching the Senate floor for another month.

In answering a lengthy list of the Armed Services Committee’s questions, Gen. Van Antwerp said the Corps of Engineers “must be flexible and continue to evolve” if it is to respond to challenges. One of the major challenges he cited: “maintenance and modernization of aging infrastructure.” Ports are “operating at the margins” in terms of channel depths, he said, and “segments of the inland waterways are congested and in need of rehabilitation.” ♦



NAPA PANEL ADVOCATES PLANNING BY RIVER BASIN



Mr. O'Keefe

In a report requested by House appropriators, the National Academy of Public Administration (NAPA) has recommended that the Corps of Engineers initiate a series of “fundamental changes” to achieve budget reform of its civil works construction program. NAPA wants the Corps to “better prioritize its funding decisions” by moving away from a focus on individual projects to a broader, watershed or river basin approach.

States and other governmental entities should help develop basin development plans, the report urged, with budget priorities allocated among “missions and outcomes” rather than individual projects. “A major advantage of shifting to this planning-originated, performance-based, intergovernmentally-supported

budget process,” the report said, “is that it would shift policy-makers’ attention to issues of national significance rather than to project-specific particulars.”

The academy panel which developed the report, released earlier this month, was chaired by Sean C. O’Keefe, chancellor of Louisiana State University, who is a former NASA administrator and OMB deputy director. Mortimer L. Downey, president of PB Consult, Inc., and a former DOT deputy secretary, was vice chairman. Among the panel’s other five members was Michael E. Strachn, a water resources consultant who was chief of the Corps’ legislative initiatives branch and later deputy chief of staff of the House T&I Committee. ♦

Panel Recommends ‘Innovative Financing’



The panel suggested that the Corps involve State governments more in planning, prioritizing and financing water projects. “Although it is essential to maintain non-Federal cost sharing, it is also important to seek new, innovative ways to finance projects, looking to many sources and funding mechanisms, including many that may not involve Federal dollars,” the report stated.

A major criticism of current budgeting was that it relies too heavily on benefit/cost ratios for prioritizing projects. The panel believes multiple criteria should be employed, possibly including “social equity, contribution to watershed goals, project management and facility condition.”

In his testimony last week, Gen. Strock praised the academy’s report as “validating” several on-going Corps initiatives, particularly basin-wide budgeting of O&M programs. He also noted emerging interest in employing such evaluation criteria as regional benefits, threats to human life, ability-to-pay provisions and furtherance of “social justice” like preserving historic, close-knit neighborhoods. ♦

Lasting Drought Hurts Entire Missouri Basin

Drought conditions continue in the Missouri River basin. The first of two possible spring rises has been scrubbed and the second, scheduled for May, is also in doubt. In all likelihood, this year’s barge shipping season will be shortened by about two months. And if there is no break in the seven-year drought, there may be no barge shipping at all on the Missouri River next year.

Upstream communities are upset at low reservoir levels, restricting recreational boating and fishing. Sen. Byron Dorgan (North Dakota) and Sen. Max Baucus (Montana), who each head subcommittees having primarily jurisdiction over Corps of Engineers’ programs, want to keep more water in the six major upstream reservoirs.

Fall reservoir levels have left many boat docks and marinas high and dry. The Corps has been helping to relocate intakes to make sure local communities still have drinking water. ♦

IN THE MAINSTREAM...



Mr. Bayer

Arthur W. ("Junior") Bayer, president and CEO of Mt. Vernon (Ind.) Barge Service, Inc., which he founded in 1962, has sold the barge fleet, repair and stevedoring firm to TPG Marine Enterprises LLC, whose president is Don W. Miller, Jr., a former executive director of the Indiana Port Commission...

Teri H. Goodmann of Dubuque, who has been development director of the Dubuque County Historical Society's National Mississippi River Museum and Aquarium and the National Rivers Hall of Fame for the last 10 years, has a new title. She's now in charge of national advancement, for both the Historical Society and the City of Dubuque, to expedite a new Great River Center, RiverMax digital theater, and River Research Center...

James D. Ogsbury, a former staff director of the House Appropriations Subcommittee on Energy and Water Development (1995-99), may run for Congress next year. An Arizona native and former Federal relations manager for the Salt River Project, he has launched an exploratory effort seeking support for a campaign to become a member of Arizona's House delegation...

The Corps of Engineers has put Jose E. Sanchez, a research hydraulic engineer at the Engineering Research and Development Center (ERDC) at Vicksburg, in charge of its asset management initiative. He replaces Sandra K. Knight, Ph.D., who was ERDC's technical director for navigation. She has just been named Director of the Office of Policy, Planning and Evaluation at the National Oceanic and Atmospheric Administration in Silver Spring, Md...

New Orleans has hired Dr. Edward J. Blakely as its executive director for recovery management. No stranger to disasters, he organized Oakland's response to its 1988 earthquake and the 1991 Oakland Hills fire, which killed 25 and destroyed 2,400 homes. Most recently he has been chair of urban and regional planning at the University of Sydney, Australia...

Col. James L. Lammie, USA-Ret., received the Chief of Engineers Award for Outstanding Public Service. A former commander of the San Francisco District (1971-74), he later became

president and CEO of Parsons Brinckerhoff and, since his retirement in 1996, he has continued to work on major projects, such as the modernization of the British Rail System...

RETIRING. Looman F. Stingo of Dundee, Mich., senior vice president-logistics of Holcim (US), Inc., and a former chairman of MARC 2000 (2001-03) and member of the Inland Waterways Users Board (2002-06). Succeeding him next month will be Susan M. Diehl, who is now the firm's vice president, counsel and secretary...

Wade E. Upton of San Antonio, has retired as senior vice president-transportation services of Valero Energy Corp. Succeeding him, at Valero and on WCI's Board of Directors: Kenneth A. (Ken) Applegate, who was previously vice president-wholesale marketing...

Kyle L. Goode, executive assistant to the president of the Port of New Orleans since 1986, is retiring and moving later this month to West Virginia, where her husband, Timothy J. Goode, has accepted a promotion in the U.S. Marshals Service... Pamela C. (Pam) Stalling, a front-office executive secretary in the Corps' civil works headquarters since 1987, is leaving next month...

Judy Lynn Kiges of Red Wing, Minn., a lock operator at L&D 3, has retired after 27 years in the Corps. Affectionately known as the "Dam Girl," she collected coats, sweaters, hats and gloves all year to have them available in cold weather to pass out to the shivering crews of tows from warmer waters...

IN MEMORIAM. Former Congr. M. G. (Gene) Snyder (Kentucky), 79, of Pewee Valley, Ky., of a heart attack at his winter home in Naples, Fla. A staunch waterways supporter, he served 11 terms in the House (1963-65 and 1967-87), where he was on the Public Works and Transportation Committee and the Merchant Marine and Fisheries Committee.

Talmage E. (Tal) Simpkins, 79, of Haymarket, Va., after an auto accident. He retired last year as executive vice president of the AFL-CIO Labor-Management Maritime Committee, which he had joined 50 years earlier... To their families and many friends, we extend condolences. ♦



Mr. Ogsbury



Mr. Snyder

Harbor Tax Impedes Container Shipping

At a Congressional hearing last month, the harbor maintenance tax was identified as one of the main impediments restricting waterborne movement of containers along the coasts and on the Great Lakes. The tax, assessed on imports and domestic cargo, is “particularly burdensome for container feeder services since it is assessed twice, once for the international movement and again on the domestic waterborne leg of the trip,” said Sean T. Connaughton, Maritime Administrator.

He testified before the House Subcommittee on Coast Guard and Maritime Transportation. Coastal shipping operators and those contemplating start-up services “envision themselves at a competitive disadvantage” because of the tax, he said. Several lawmakers have proposed that the domestic movement of cargo containers be exempted from the tax to help take truck traffic off congested highways and also stimulate cross-lake container service.

ACTION! “Maritime community stakeholders have sent the message that the time for talk is now at an end,” Mr. Connaughton testified. “They want affirmative action that focuses on the expansion of America’s marine highways – action to achieve a true modal

shift that will ease landside congestion problems, improve transportation efficiencies, and grow our economy.” ♦



ON THE HORIZON...

March 25-28, ASCE’s Ports 2007, San Diego... March 27, U.S. Section, PIANC, San Diego... April 10-13, Organization of American States’ Hemispheric Conference on Environmental Port Protection, Panama City, Panama... April 11-13, Inland Rivers Ports & Terminals, Inc., Memphis...



April 18-20, AWO Spring Convention, Washington... April 24-27, Greater New Orleans Barge Fleeting Assn., New Orleans... April 26-27, Warrior-Tombigbee Waterway Assn., Mobile... April 27-May 4, International Assn. of Ports and Harbors, Houston...

May 9-10, MTS National Advisory Council, Chicago... May 9-11, National Harbor Safety Committee Conference, Chicago... May 14-15, Ouachita River Valley Assn., West Monroe, La.... May 27-June 1, World Dredging Congress, Lake Buena Vista, Fla....

June 23-24, Great Rivers Towboat Festival, Grafton, Ill.... July 7-9, TRB Summer Conference, Chicago... Aug. 8-10, Mississippi Water Resources Assn., Jackson... Aug. 22-24, Gulf Intracoastal Canal Assn., New Orleans...

Aug. 28-30, Tennessee-Tombigbee Waterway Opportunities Conference, Point Clear, Ala.... Oct. 1-3, Waterways Council’s Annual Meeting and Waterways Symposium, Houston... Oct. 2-5, Propeller Club international convention, Athens, Greece... ♦

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Pete Geren Becomes Acting Army Secretary

Earlier this month, Francis J. Harvey, Secretary of the Army since November 2004, was forced out when press reports revealed deplorable conditions at Walter Reed Army Hospital.

Taking over as Acting Secretary was Preston M. (Pete) Geren, who represented the Fort Worth area in the House of Representatives, 1989-97. He had been Under Secretary of the Army for the last year. ♦