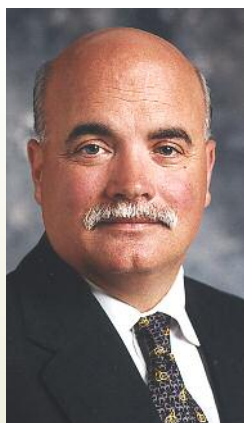


Capitol Currents

November 4, 2009



Richard R. (Rick) Calhoun assumes the Waterways Council's chairmanship. Page 6.



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CHALLENGES IN FIXING TRUST FUND DESCRIBED

THE VEXING PROBLEM OF HOW TO RECAPITALIZE AMERICA'S AGING INLAND WATERWAYS INFRASTRUCTURE took center stage at the Waterways Council's recent Annual Meeting and Waterways Symposium in New Orleans.

"The Inland Waterways Trust Fund cannot meet today's much less tomorrow's needs," Maj. Gen. Merdith W.B. (Bo) Temple, the Corps of Engineers' top civil works official, told some 175 attendees. "It is absolutely essential to increase the trust fund revenues substantially for us to recapitalize and maintain an efficient inland marine transportation system into the future."

"We need a capital plan for the entire system and what it is going to cost," said Gary A. Loew, the Corps' chief of programs integration. "Then we need to right-size the revenues and try to come up with those. There is no way for us as an agency to do a better job unless we are adequately funded."

"Is it sensible to rely on one very small industry to match, dollar for dollar, the Federal government's capital investment in our nation's waterways infrastructure, given the vast environmental and societal benefits provided by the inland system?" asked Stephen D. Little of the Crouse Corp. He is chairman of the Inland Waterways Users Board.

For almost the last year, the Users Board and Corps leaders have been wrestling with such issues as the need for improving project delivery, identifying and prioritizing "critical" projects, estimating their ultimate cost, and deciding how to pay for them. "This is still a work in progress," Mr. Little said.

If a recapitalization plan is worked out, Mr. Loew said the vehicle for its enactment would likely be a Water Resources Development Act next year. Even if it authorizes changes in Federal policies and financing mechanisms, he expects it would be 2011 before implementing legislation could be enacted and another two or three years before sufficient revenues could build up to launch an inland navigation modernization program. "So there is no instantaneous answer," Gen. Temple commented.

At the current level of funding, Mr. Loew said it would be more than a decade before work on Industrial Lock, Kentucky Lock Addition or Chickamauga Lock could resume.

The Corps estimates it will cost \$3.9 billion to complete eight on-going inland projects and another \$4.2 billion to construct 14 authorized projects, including the seven new Upper Mississippi/Illinois Waterway locks, which have not yet been started. ♦

See Inside for Recap of New Orleans Meeting

The next five pages contain full coverage of the Waterways Council's Annual Meeting and Waterways Symposium, held in New Orleans on October 12-14. The symposium was sponsored by WCI; Informa Economics, Inc.; and the *Waterways Journal*. ♦

INSIDE THIS ISSUE:

Chmn. Calhoun's message 7
Trust Fund receipts drop 8

President signs FY 2010 funding 8
Lock closures delay navigation 17

Improve Project Delivery First, Mr. Little Stresses



“We want to make absolutely sure that we have an improved project-delivery system in place before we start talking about any additional revenues,” Steve Little told the symposium. “The barge industry must avoid the worst-case scenario for the funding of capital projects – replacing the fuel tax with lockage fees, having too many projects on our ‘critical needs’ list, having no improvement in project delivery, and having no recognition that the waterways system benefits many non-navigational users.”

“If the barge industry is harmed by an onerous tax load, then no one benefits,” Mr. Little said.

Once “we are satisfied that the project delivery system is efficient,” Mr. Little said “we can meaningfully consider how much our industry can afford to contribute, identify other sources of revenue, modifying the barge industry’s project cost share, removal of dams from cost-shared projects, capping the barge industry’s liability for significant cost overruns, suspending user tax payments if trust fund [revenues] are not spent, [and the] need to maintain the current level of modal competitiveness.” ♦

Too Many Mega-Projects on Books, Mr. Loew Says

The Corps’ inland construction program now includes “about three to five mega-projects,” said Gary Loew, the Corps’ top budget officer. “It was a real mistake to take on more than one of those mega-projects when there was not enough money to build more than one.” All of the trust fund surplus could have been used on the Olmsted L&D project alone, he said.

“Bad funding practices beget bad design and construction management practices,” he said. “They start from there.” Mr. Loew blames political pressures for spreading limited funds over too many projects, which he called “exactly the wrong thing to do from a business perspective. So it’s really important,” he said, “that we come up with the proper funding system.”

He said there was “more than one way to approach the revenue problem.” European governments subsidize industries that ship on waterways, Mr. Loew said, and he also suggested that “carbon credits” might be issued in the future for shipping products by water. In his remarks, Mr. Little listed an infrastructure bank and bond sales as possible revenue sources. ♦

If Solution Is Found, Congress May Help



Despite the possibility that it may be several years before sufficient funds are available to resume a full-fledged waterways construction/rehabilitation program, Mr. Loew believes Congress may relent and allow more work to go forward in the meantime. “I think if there was a [funding] solution on the horizon, or even a WRDA had passed, they might ease up and, in return, ...maybe allow some rehabs to be built without cost sharing until the revenue got built back up.”

“So my sense is that they very much want to help and, at the same time, they

want to keep the pressure on us, the Corps of Engineers, and the Administration and also the industry to come up with a solution that, from their perspective, everyone agrees is an easy bill to pass,” Mr. Loew said. “To the extent they see solid evidence that is happening, then I think maybe they might help us work through this.”

To “sell” a recapitalization program, Gen. Temple proposed a “shared communications plan that will energize the public will to support this infrastructure. Once we develop a plan, and we believe it is solid, we have got to figure out how to tell that story,” he said. ♦

Division Engineers Detail Persistent O&M Issues

Two speakers on the symposium – Maj. Gen. John W. Peabody, commander of the Great Lakes and Ohio River Division and Maj. Gen.(P) Michael J. Walsh, commander of the Mississippi Valley Division, focused on O&M priorities and needs.

“I think I am in the business of managing a continuing crisis,” said Gen. Peabody, referring to the recent failure of the Markland L&D main lock chamber. “Our infrastructure is really truly at risk. We’ve got a big challenge to keep all the rivers open,” admitting that “we don’t have the money to do everything on our plate.”

Gen. Walsh said his division had acquired numerous stoplogs; installed bulkhead slots at more than a dozen locations; replaced miter gates at L&Ds 20, 21 and 22; rehabilitated L&Ds 11, 19, 24, 25 and 27; corrected L&D 3

outdraft and embankment concerns as well as seepage and stability problems at Lockport and several deficiencies at Mel Price L&D. ♦

LOOKING AHEAD. Gen. Mike Walsh’s division comprises the Mississippi River corridor from the Gulf to Canada, and he wants to develop a vision for that region, which he calls “the center coast.” Not just a short-term vision, but a 200-year vision for “America’s watershed,” gathering insights and lessons from the past to build a better future. It will be, he says, an intergenerational commitment. ♦

Mr. LaGrange: Ship Cargo in Containers, Not Air

H. Merritt Lane, III, president and CEO of Canal Barge Co., welcomed WCI members and guests to the sixth annual waterways

symposium. Reviewing events in New Orleans following Hurricane Katrina, he praised the Corps of Engineers for its recovery efforts and expressed hope that “lessons learned will be institutionalized and integrated into the Corps’ tool kit for its civil works program throughout the country.”

In his keynote address, Gary P. LaGrange, president and CEO of the Port of New Orleans, said 37 containerships had called at the port in the last three months, the most in over three years. “The biggest commodity we ship in containers worldwide today,” he said, “is air.” He suggested grain might be shipped in containers. “Things are going into containers now that never made sense before.”

Former Gov. Charles E. (Buddy) Roemer, III, now a Baton Rouge banker, said there were two parts of the country “that actually build things, make things, ship things, grow things – the Atlantic Coast and the Gulf South. “The rules have changed in the world,” he said. “The rules used to be how big you are, how strong you are. No longer. The rules for success are the 4 Fs: fast, focused, flexible and friendly.” ♦



Conferring at the symposium. Michael W. Hennessey, left, vice president-river operations of Consol Energy, Inc., visits with William T. Harder, the Great Lakes and Ohio River Division’s navigation business programs manager, and David A. Weekly, chief of the Huntington District’s navigation planning center.

Economy Turning Around, Mr. Eriksen Believes



Mr. Eriksen

Ken A. Eriksen, senior vice president-transportation services of Informa Economics, Inc., moderated a panel on transportation demand. “We are starting to crawl ourselves out of this economic hole we are in,” he said. “It’s going to be slow.”

“We still have to find ways to be more efficient,” Mr. Eriksen said. “It’s not about an over-supply of commodities. It’s more of a demand-driven environment today.” Transportation has become “a very important feature,” he said, “to manage the costs associated with higher input costs [for] raw ingredients.”

With respect to the barge industry, he anticipates about 830 new builds, tank and dry bulk, this year. Over 1,000 barges of all types can be retired by the end of the year, he said, with the U.S. barge fleet numbering about 20,800 at the

start of 2010. Informa expects “a slight increase” in next year’s demand for barge equipment, even though the average barge-haul distance has dropped. ♦

Industry Leaders Assess Barge Demand Outlook

Kenneth A. Applegate, vice president-transportation services of Valero Energy Corp., said the economic recession has significantly reduced U.S. petroleum demand, although a recent uptick was positive. The petroleum and chemical industries account for more than 40 percent of shallow-draft barge tonnage, he said, but “significant growth opportunities... appear limited” due to lower overall demand.

“Coal is getting a double-whammy this year,” said Michael W. Hennessey, vice president-river operations of Consol Energy, Inc. “We have low [electricity] demand plus we have low natural gas prices,” he said, which eats into the amount of coal burned. When the economy starts to recover, he expects a lag on the coal side of four to six months because there is now so much coal on the ground at power plants.

Gregory A. Beck, vice president-grain operations at CGB Enterprises, Inc., said the U.S. could have record corn and soybean crops this year, if the weather cooperates. Because of high transportation rates at harvest time, he said more on-farm storage was being built, “taking the edge off big-time, harvest demand for barges.” ♦

Barges Attracting Traffic Because of Air Quality

“Basically everyone” benefits from transportation improvements, said Bruce Lambert, executive director of the Institute for Trade and Transportation Studies. “First, we have to get people to think the waterways even matter,” he said. “Second, we need people to understand transportation is more than products.”

Barges provide “congestion mitigation,” he said. Planners are beginning to look at water transportation because of its environmental benefits. “Air quality is the driver,” he said. “The waterways are a less damaging way to move freight.”

What happens when a lock fails or a waterway is closed for any reason, stopping the flow of commerce? asked Raymond Butler, executive director of the Gulf Intracoastal Canal Assn. The economy suffers in many ways, he said, but “we don’t do a good job in capturing the real delay costs accurately.” ♦

DATE CHANGE. The wrong date for WCI’s Washington meetings early next year was announced in New Orleans. The correct date for our annual seminar, Capitol Hill visits, and Leadership Award Dinner is February 22-24 at the new W Hotel (formerly the Hotel Washington) in Washington, D.C. ♦

MARINE HIGHWAYS OFFER ‘UNLIMITED GROWTH’

The Maritime Administration hopes to increase the volume of commerce moving by coastal and inland waterways – America’s marine highways. James J. Murphy, acting director of MarAd’s East Gulf/Lower Mississippi Gateway, said his agency would soon start designating marine-highway corridors and selecting marine-highway projects.

The projects will offer the “best public benefit,” he said, in relieving congestion, reduc-

ing emissions, and providing energy and infrastructure savings. Final rules for the new initiative are expected this month, he said.

“America’s marine highways offer unlimited growth potential,” Mr. Murphy said. That’s one reason why his agency is promoting container-on-barge service on waterways closely paralleling congested Interstate highways along the Atlantic, Gulf and Pacific Coasts, the Great Lakes and inland rivers. ♦

Three Speakers Examine the Washington Scene

R. Christian Johnsen, managing partner of the Jones Walker law firm’s Washington office, described how WCI responded to various “challenges and opportunities” during the year, including the development of economic stimulus funding, the FY 2010 appropria-

tions bill, opposition to the Administration’s lockage fee proposal, and support of additional infrastructure investment.

Robert W. Hickmott, senior vice president of the Smith-Free Group, made a presentation on the pros and cons of pending cap-and-trade climate change legislation, which focuses on pollution reduction.

James R. Wiesemeyer, vice president of Informa’s Washington office, discussed the current political landscape – describing key issues now before the Congress, looming legislative battles, and possible Congressional changes in the 2010 general election. ♦



Foundation elects. Craig E. Philip of Nashville, right, is the new chairman of the National Waterways Foundation, succeeding Peter H. Stephaich of Pittsburgh, chairman of Campbell Transportation Co. Mr. Philip, president and CEO of Ingram Barge Co., was elected at a foundation meeting held at the conclusion of the New Orleans symposium.

BY-LAWS AMENDMENT. At a business session in New Orleans, WCI established an “associate member” category for individuals and entities whose waterways connection is limited in scope or monetary value.

Businesses or local non-profit organizations not directly associated with the waterways can now become associate members, with annual dues of \$250, and individuals in areas served by waterways can join for annual dues of \$100. Such organizations and individuals will receive electronic distribution of WCI materials but will not be entitled to vote or hold office. ♦

Rick Calhoun Becomes WCI's New Chairman

Richard R. (Rick) Calhoun, the Waterways Council's newly installed chairman, is president and chairman of Cargill Marine and Terminal, Inc., a wholly owned subsidiary of Cargill, Inc., the largest U.S. private corporation based on revenues. He thus has charge of Cargill's North American barge and marine operations, including Cargo Carriers. He is also vice president of Cargill's North American Grain and Oilseeds Business Unit.

A Kansas native, Mr. Calhoun holds a degree in business management from Kansas State University. He joined Cargill as a grain merchant in 1976, holding various merchandising and management positions, initially in Kansas City. After transferring to Minneapolis in 1989, he became involved in government trading, rail rate negotiations, and rail and water transportation.

Mr. Calhoun is a member of the board of directors and executive committee of the National Grain and Feed Assn., of which he served as chairman in 2002-04. He is also a current member of the Inland Waterways Users Board. ♦



Memento in appreciation. WCI Pres. Cornel J. Martin, left, presented a clock with a special inscription to Daniel P. Mecklenborg, our outgoing chairman, at the New Orleans meeting.

WCI Elects Officers, New Board Members

At the New Orleans meeting, WCI elected Richard R. Calhoun of Cargill, Inc., to succeed Daniel P. Mecklenborg of Ingram Barge Co. as chairman of the board. Others elected were H. Merritt Lane, III, of Canal Barge Co., and Rodney M. Weinzierl of the Illinois Corn Growers Assn. as vice chairmen, William M. (Matt) Woodruff of Kirby Corp. as counsel, Peter H. Stephaich of Campbell Transportation Co. as secretary, and Cherrie D. Felder of Channel Shipyard Cos. as treasurer.

Cornel J. Martin was re-elected as president and CEO. Along with the other officers, he serves on the executive committee with four at-large members – Michael W. Hennessey of Consol Energy Co.; Stephen D. Little of Crouse Corp.; Timothy M. (Tim) Parker, Jr., of Parker Towing Co.; and Dale J. Roth of the Carpenters' District Council of Greater St. Louis and Vicinity – and three former board chairmen, Mark K. Knoy of AEP River Operations, Berdon Lawrence of Kirby Corp., and Mr. Mecklenborg.

Elected to three-year terms on the board of directors were Kenneth A. Applegate of Valero Energy Corp.; William F. Bojalad of United States Steel Corp.; Ms. Felder; Bruce D. McGinnis of McNational, Inc.; G. Scott Leininger of CGB Enterprises, Inc.; Caryl M. Pfeiffer of E.ON U.S.; Mr. Roth; Sebastian L. Seifarth of Holcim (US), Inc.; S. Richard Tolman of National Corn Growers Assn. and Mr. Weinzierl.

Five others were elected to one-year terms: Mr. Lane; Mr. Little; Mr. Martin; Michael P. Ryan of American Commercial Lines, Inc.; and Mr. Woodruff. ♦

CHAIRMAN'S MESSAGE

We Must Work Harder in Educating Lawmakers

First, let me say “thanks” for allowing me to serve as your Chairman of the Waterways Council. I take this opportunity and challenge very seriously. The easy part is that we have a dedicated staff, an engaged membership and active board, and a wonderful story to tell

Army Corps of Engineers to identify problems in the system which have resulted in the Inland Waterways Trust Fund being virtually depleted. The system has needs beyond our ability to adequately fund going forward unless we develop a different approach to the problem.

The status quo is not a viable option.

WCI is working hand in glove with the Inland Waterways Users Board and the Corps of Engineers to develop a long-term, comprehensive strategy to improve the project delivery system in order to ensure that future projects are completed on time and within budget. WCI has been able to closely monitor the progress of this working group as nine of the 10 members of the Users Board are active participants in WCI. We are looking at the long-term capital needs of the system. Of course, funding for all these needs is a critical issue.

Our industry, like many others in this country, is still suffering due to the economic downturn. Many of our customers are in the same boat. The decisions made in the months ahead will have far-reaching impact upon our industry and our country.

WCI has been blessed with three very dedicated and visionary chairmen before me. I don't have a new or different vision. I do believe we need to work even harder on educating lawmakers and others on the value that the waterways and our industry bring to this nation.

We have a very compelling story, and I hope you will all join us in delivering our message.



Congratulations! Richard R. (Rick) Calhoun, right, incoming chairman of the Waterways Council's Board of Directors, receives the best wishes of the outgoing chairman, Daniel P. Mecklenborg, senior vice president of Ingram Barge Co. The change in WCI's leadership took place at our recent New Orleans meeting..

about the value the inland waterways bring to this nation. The more challenging aspect is getting our message across to the appropriate audiences, hopefully resulting in the much needed improvements in our infrastructure for years to come.

We all know that waterborne transportation is the safest, most cost effective, cleanest and most environmentally friendly mode of transportation in the country. Barges are the best when you stack them up against the competing modes. We are a vital piece of our nation's overall transportation network.

Yet we face a critical time in the history of the waterways in this country. WCI has been successful in working with Congress and the

Richard R. Calhoun
Chairman of the Board

Trust Fund Receipts Fall to \$76.4 Million for Year

In FY 2009, which ended on September 30, the Inland Waterways Trust Fund recorded fuel tax receipts of \$75.95 million plus interest of \$444,853 – for total revenues of \$76.4 million. This was the trust fund's lowest level of fuel tax collections since 1992 and its lowest total annual revenue since 1989.



In FY 2008, fuel tax receipts amounted to \$87.6 million and interest payments were \$4.8 million, for total revenue of \$92.4 million.

During the last fiscal year, the trust fund had outlays of \$149.47 million, primarily transfers to the Corps of Engineers to cost-share expenditures on inland construction and major rehabilitation. The trust fund's year-end balance was \$57.72 million, of which \$43.45 million consisted of existing transfer authority to cover outstanding commitments, leaving \$14.27 million as the balance available for new obligations. ♦

White House, Hill Eye WRDA Bill Next Year

The last Water Resources Development Act (WRDA '07) was enacted, over the President's veto, in December 2007. Present indications point to another authorization bill next year. For the first time in years, the Administration now plans to offer a draft WRDA proposal, and the House is already working on its legislation.

These moves are drawing added attention as WRDA '10 is expected to be the legislative vehicle to authorize whatever policy changes and/or financing mechanisms may come out of current Corps-industry negotiations on cost sharing capital expenditures on the inland waterways.

In a speech at the National Waterways Conference's recent annual meeting, Steven L. Stockton, the Corps' Civil Works Director, said the focus of WRDA '10 would be to "simplify the civil works project-delivery system" by removing "unnecessary complications" of today's process. Among other initial ideas, he said, were "alternative financing" methods. ♦

President Signs Funding for Civil Works Program

The President signed FY 2010 appropriations for the Corps of Engineers' water resources program last week. The legislation provides \$5.445 billion for civil works, including \$2.031 billion for construction, \$2.4 billion for O&M, \$340 million for MR&T, and \$160 million for general investigations.

By wide margins, both the House and Senate passed their versions of the energy and water development appropriations bills in July. A House-Senate conference resolved differences in the two bills in September, and the House agreed to the report on October 1 by a 308-15 vote and the Senate followed on October 15, voting 80-17 in approval. The bill reached the President's desk on October 21.

CORRECTION. On Page 1 of our last issue, we erred in stating the House-Senate conference agreed to allocate \$101.5 million for inland navigation construction and \$134

million for major rehabilitation in FY 2010. The correct figure for inland construction is \$109.7 million and for major rehab is \$24.6 million. The project amounts shown in the Page 2 table in our last issue are accurate. ♦

PORT PLANS. Joseph P. Tegart, formerly of Zeigler Coal Co., and Gregory P. Cantwell, formerly of LG&E Energy, Inc., are upgrading the former Louisville-Jefferson County Riverport, with plans to reopen the facility as the Port of Louisville.

Renovations at the port, which includes a coal-blending facility, are expected to take six to 12 months and cost as much as \$5 million. ♦

Surge Barrier Milestone: All 144' Piles Installed

Using dozens of large cranes, barges and supply boats, the Lake Borgne Surge Barrier contractor, Shaw Environmental and Infrastructure Group, began pounding massive spun concrete piles, each 5½ feet in diameter and 144 feet in length, into the lake bottom last May 9. Operating in two 10-hour shifts every day since then, workmen installed 1,271 of the piles.

They are now busy adding 2,600 concrete closure piles (placed between the large piles) and 660 steel cylinder reinforcing piles, each 3 feet in diameter, placed at an angle on the landside of the barrier. Horizontal concrete deck sections, each weighing 96 tons, will sit on the top of the barrier wall, providing a placement area for parapet walls that ultimately will increase the barrier height to 26 feet.

Navigation gates are yet to be installed on the GIWW and at Bayou Bienvenue. When finally completed in May 2011, the barrier will run almost two miles, extending from the north side of the GIWW to the south side of the now-blocked “Mr.-Go” channel. Designed to provide 100-year-level storm protection, the project is expected to cost \$1.3 billion. ♦

Activists May Try Again to Stop Industrial Lock

Congress has appropriated more than \$100 million to replace the 86-year-old Inner Harbor Navigation Canal Lock, locally known as Industrial Lock. Work on the project was stopped by a court injunction in 2006, when a Federal judge ordered the Corps to revise its impact assessment and assess the toxicity of materials unearthed during construction.

Now that the Mississippi River-Gulf Outlet has been closed, the aging lock is a weak link in the GIWW east-west route, and navigation leaders have been urging the Corps to expedite the replacement project. The revised impact statement was filed after development of the Corps’ FY 2010 appropriations bill, which did not include any funding for the lock project.

“I hope Congress realized this is not a good project because it is not needed and there are serious impacts on the environment and local community,” Law Prof. Jill Witkowski of Tulane University told the *Times-Picayune*. She represented neighborhood activists in the original suit. All barge traffic traveling between New Orleans and ports on the Mississippi and Alabama coasts, and beyond, must pass through this lock. ♦

Final giant pile installed. The last section of a 92-ton mud-filled concrete pile, 144 feet long, was pounded into Lake Borgne on October 21, completing the foundation of the world’s largest storm surge barrier. It stretches 7,500 feet across the lake and the Mr.-Go entrance. A swing-barge gate and a sector gate must still be constructed across the Gulf Intracoastal Waterway.



- Paul Floro, Hurricane Protection Office

RIVER LEXICON. Charles F. Lehman of Louisville, a former vice president of American Commercial Lines, has written a book of 500-plus pages explaining terms used on the river: *A Riverman’s Lexicon in Lehman’s Terms*. Little River Books, the publisher, hopes to have the books available for the holidays. ♦

SPEAKERS, MODERATORS AT 2009 WATERWAYS SYMPOSIUM



On stage in New Orleans. In Photo 1: WCI Chmn. Rick Calhoun, left, welcomed Gary P. LaGrange of the Port of New Orleans and former Louisiana Gov. Charles E. (Buddy) Roemer, III. Photo 2: From left, Michael W. Hennessey of Consol Energy, Inc.; Kenneth A. Applegate of Valero Energy Corp.; Gregory A. Beck of CGB Enterprises, Inc. and Ken A. Eriksen of Informa Economics, Inc.

Photo 3: Daniel P. Mecklenborg, left, with Maj. Gen. Bo Temple, Stephen D. Little of Crouse Corp., and Gary A. Loew of the Corps. Photo 4: WCI Pres. Cornel J. Martin, left, with James R. Wiesemeyer of Informa Economics, Inc., and James J. Murphy of MarAd. Photo 5: Maj. Gen.(P) Michael J. Walsh, Bruce Lambert of the Institute for Trade and Transportation Studies, Raymond Butler of GICA and Maj. Gen. John W. Peabody.



SCENES FROM WCI'S NEW ORLEANS MEETING AND SYMPOSIUM



Staying in touch. In Photo 1, Cherrie D. Felder of Channel Shipyard, left, and Maj. Gen. Bo Temple listen to a briefing on the Lake Borgne Hurricane Surge Barrier. Photo 2: Charles M. Hess of the Shaw Group, Inc., and Karen Durham-Aguilera, director of the Corps' Task Force Hope.

Photo 3: Michael P. Ryan of American Commercial Lines with Matt Woodruff of Kirby Corp. and Stephen D. Little of Crouse Corp. Photo 4: William T. Harder of Great Lakes and Ohio River Division, left, with the division commander, Maj. Gen. John W. Peabody, right, and Gary A. Loew of Corps headquarters. Photo 4: Jerry A. Enzler of National Mississippi River Museum and Aquarium with Larry R. Daily of Alter Barge Line, Inc., and Frank Morton of Turn Services, LLC.

Judge Expected to Rule on NW Dam Breaching

In the Pacific Northwest, the state of Oregon, an Indian tribe and a coalition of environmental and fishing groups filed 130 pages of arguments aimed at convincing Federal District Judge James A. Redden to reject the Obama administration's plan to keep four lower Snake River navigation/hydroelectric dams in operation while extensive salmon recovery measures are implemented.

"Oregon thought perhaps the new administration's review would bring meaningful improvements and put a stop to the endless cycle of litigation," said Oregon Atty. Gen.

John R. Kroger. "That has not occurred."

Judge Redden is expected to issue a ruling in the case in the next few weeks. ♦

LOCK START. With a \$1.97 million contract in hand, an Ohio company began constructing cofferdams last week for a new Great Lakes "superlock" at Sault Ste. Marie, Mich. ♦

Ms. Darcy's Top Priority: Protecting New Orleans

Four days after her Senate confirmation in August, Jo-Ellen Darcy was installed as the Assistant Secretary of the Army (Civil Works). On October 2, Army Secy. John M. McHugh conducted a formal swearing-in ceremony with Ms. Darcy's mother and a sister in attendance.

The occasion prompted a lengthy profile in the Worcester (Mass.) *Telegram and Gazette*. Ms. Darcy, now 57, grew up in nearby Fitchburg, where her late father was a police detective and her grandfather was police chief. At the Pentagon, she hopes to advance the

water resources program "in more of a holistic way," she said, taking into consideration how projects interact in a watershed.

Ms. Darcy said her new job came with "marching orders" from the President, with whom she worked while he was a member of the Senate Environment and Public Works Committee. At the top of the priority list, she said, is protecting New Orleans from hurricanes and completing major ecosystem restoration projects, including the Upper Mississippi River. ♦



On Capitol Hill. Asst. Army Secy. Jo-Ellen Darcy recently called on Congr. Ike Skelton (Missouri), who is pushing pending legislation benefiting water transportation. From left are Lt. Col. John S. Hurley, Ms. Darcy's military assistant; Carol F. Angler, civil works deputy; Ms. Darcy; and Congr. Skelton, who chairs the Armed Services Committee.

GULF COAST REPORT

Westbank Barrier Presents Navigation Challenges



As part of New Orleans' overall Hurricane and Storm Risk Reduction Project, construction began last week on the Westbank Control Complex (WCC), otherwise known as the GIWW West Side Floodgate, to prevent catastrophic flooding in the western portions of the metropolitan area.

The WCC's operating philosophy is based on a somewhat different paradigm from the Lake Borgne (or East Side) Barrier, whose sole purpose is to stop storm tides. In addition to preventing high storm tidal surges from entering Gretna and Harvey, the Westbank project will also serve to evacuate accumulated rainwater.

The largest flood pumps ever installed by the Corps of Engineers will be part of this structure. Their mission will be to pump the effluent from the neighborhood drainage systems to outside the floodwall-protected area. During times of heavy rain not associated with high storm tides, currents will likely reach velocities through the floodgate opening that will prevent barges from transiting.

The pumping systems are designed to minimize the time required to drain heavy rainfall from within the protected areas behind the floodwalls. Storm-driven tides combined with high rainfall will doubtless raise levels on both sides of the floodgate. The pumping systems will be used to "manage" the water level within the GIWW while allowing the neighborhoods to drain and at the same time preventing storm tidal intrusion.

The timeline for the WCC is similar to that of the Lake Borgne project, with both to be operational by the 2011 storm season. From the outset, the project team continues to work closely with our navigation group as the process moves ahead.

There will likely be significant changes in the scope and final plans of this project since it is almost literally being designed as it is being built. One aspect remains

certain, so far, in discussions between the project team and marine operators: the navigation span of the main structure is fixed at 225 feet wide.

During construction, the GIWW navigation channel alignment will change, initially moving to the north side of the canal and reducing to an open width of 225 feet from the cofferdam structure to the north bank. Communications from our vessel operators on navigation issues during the construction will be most important and, as always, we encourage input on all aspects of the project.

The physical model of this project is available for viewing and scale model runs at ERDC in Vicksburg. Our patience will be needed as construction dictates channel alignment and width changes.

Both the Lake Borgne and WCC structures are required by current law to be operated by the Levee Districts along with the State of Louisiana – which don't want this responsibility. The operation of these structures is a Corps of Engineers "traditional" function. To have them operated by entities whose primary interest is other than navigation could invite major problems.

Both projects will soon begin developing critical operational strategy and documenting operating procedures. It would be most beneficial for all involved if the issue of operation and maintenance control were resolved ahead of that effort. Toward that end, we must depend upon our Congressional delegation to assist in enacting special-directive legislation to insure that the final O&M responsibility for these structures, as well as adequate funding for this mission, is delegated to the Corps.

Raymond Butler, Executive Director
Gulf Intracoastal Canal Assn.

Sen. Bond's Amendments Still Pending in Congress

The Senate version of the FY 2010 appropriations bill funding Transportation, HUD and related agencies includes two amendments sponsored by Sen. Christopher S. Bond (Missouri). One provides \$2 million for DOT to analyze “the full value of river-flow support” to Missouri and Mississippi River users, and the other allots \$900,000 to the Missouri DOT to study how to increase freight tonnage on the Missouri River.

The legislation was approved 73 to 25 in the Senate in mid-September. The House version, passed earlier, does not contain the two river-related provisions, but Congr. Ike Skelton (Missouri) has urged the House Appropriations Committee to retain the language in the final bill. To date, however, the legislation has not gone to a Capitol Hill conference committee to resolve the differences.

Meanwhile, the Missouri DOT has scheduled a Freight Corridor Forum to bring together ports and terminals, shippers, bargelines and others interested in moving commerce on the Missouri River. The forum will be held on December 10 at Les Bourgeois Restaurant overlooking the Missouri River in Rocheport, Mo. Ernest B. Perry, Ph.D., MoDOT's freight development coordinator, said funding, marketing, and other key issues would be discussed. ♦

SHORT TAKES...

The Department of the Interior's Minerals Management Service, which oversees outer continental shelf lands, has awarded a grant of \$6.87 million to the Louisiana Department of Natural Resources to construct four artificial reefs stretching some 14,000 feet. The reefs will close four breaches along the south bank of the GIWW in Terrebonne Parish...

Because all the bids exceeded its budget, the Galveston County Commission has called for new bids to upgrade the railroad bridge across Galveston Bay and widen the navigation passage from 105 feet to 300 feet. Earlier, the project recently received \$45 million in stimulus funding...

Despite Delaware's refusal to issue an environmental permit, the Corps has decided to proceed with a \$379 million project to deepen the Delaware River from 40 to 45 feet, but both Delaware and New Jersey have vowed to fight the project in court...

The Port of Oakland now has a 50-ft. channel. The cost-shared, eight-year project cost \$432 million, with most of the dredged material used to restore 188 acres of shallow-water habitat. ♦



Time to visit. At the symposium's opening reception, LeRoy J. Stromberg, right, chief operating officer of Alberici Corp., talks to Rodney M. Weinzierl, executive director of the Illinois Corn Growers Assn., and Dale J. Roth, business representative of the Carpenters' District Council of Greater St. Louis and Vicinity.

IN THE MAINSTREAM...



Gen. Grisoli

In January, **Maj. Gen. William T. (Bill) Grisoli** will become the Corps' Deputy Commanding General for Civil and Emergency Operations. Now in a Pentagon position, he is a former commander of the Northwestern Division (2003-05) and of the North Atlantic Division (2005-06). Earlier, he was deputy commander of the New Orleans District...

Gen. Grisoli will replace **Maj. Gen. Merdith W.B. (Bo) Temple**, who has held the top civil works post since April 2008. He will become Deputy Chief of Engineers, succeeding **Maj. Gen. Don T. Riley**, who is retiring. Gen. Riley previously served as civil works director for almost four years...



Gen. Riley

Wesley E. Coleman, deputy chief of the North Atlantic Division's regional integration team in the Corps' headquarters for the last three years, is the new chief of the Office of Water Project Review. He replaces **Robyn S. Colosimo**, who is now Assistant Director of Civil Works...

Brig. Gen. Michael J. Walsh, commander of the Mississippi Valley Division, and **Brig. Gen. Todd T. Semonite**, commander of the South Atlantic Division, have been nominated, subject to Senate confirmation, for promotion to the rank of major general...

Wade M. Battles, managing director of the Port of Houston Authority for the last 10 years, has joined Halcrow, Ltd., as vice president and regional manager of the firm's Houston office... **Matthew (Matt) Smolek**, who formerly worked for CGB Enterprises, Inc., at Burns Harbor, is the new port director at the Port of Indiana-Jeffersonville...

Robert W. Portiss, director of the Tulsa Port of Catoosa for the last 25 years, was awarded the Corps' prestigious de Fleury Medal. The presentation was made by Col. Anthony C. Funkhouser, Tulsa District commander, and Col. Donald E. Jackson, Little Rock District commander...

The New Orleans Propeller Club named **H. Merritt Lane, III**, president and CEO of Canal Barge Co., as its maritime person of the year... **Congr. Zach Wamp** (Tennessee) received the Tennessee River Valley Assn.'s

"Friend of the Valley" award at its recent annual meeting...

The new minority clerk on the Senate Appropriations Subcommittee on Energy and Water Development is **Carolyn E. (Carrie) Apostolou**, who has been on the committee's professional staff since 1987. She takes the place of **Scott D. O'Malia**, who has been confirmed as a commissioner on the Commodity Futures Trading Commission...

Also named to the Senate Appropriations Committee's professional staff was **Tyler D. Owens**, who had been senior counsel to Sen. Robert F. Bennett (Utah), ranking minority member of the Energy and Water Development Subcommittee...

RETIRING. **C. Berdon Lawrence** of Houston, chairman of the Kirby Corporation, effective next April 27, although he will continue to serve as a consultant and board member. He made the announcement on October 12, exactly 10 years after Hollywood Marine, Inc., of which he was the founder and president, merged with Kirby...

Also retiring early next year: **Doug J. Marchand**, executive director of the Georgia Ports Authority since 1995, and **R. Adam McBride**, port director of the Lake Charles Harbor and Terminal District since 2003...

IN MEMORIAM. **Jesse D. Davis**, 91, of Memphis, father-in-law of Michael B. White, programs director of the Great Lakes and Ohio River Division... **M.V. Williams**, 89, of Germantown, Tenn., a leader of the West Tennessee Tributaries Assn., who served for 15 years as chairman of the Mississippi Valley Flood Control Assn.'s executive committee...

Leonard L. Sutter, 79, a former counsel of the House Merchant Marine and Fisheries Committee, who retired last June from the Maritime Administration's office of general counsel... **Clement A. (Tony) Beargie**, 69, who worked as a reporter for the Congressional Information Bureau and *American Shipper* magazine and, more recently, for the American Maritime Congress... To their families and friends, we express our condolences. ♦



Mr. Lawrence



Trustees converse. The Rev. David M. Rider, left, president and executive director of the Seamen's Church Institute, visits with Joseph H. Pyne, president and CEO of the Kirby Corp. Both are members of the National Waterways Foundation's board of trustees.

FISH PASSAGE SUPPORTED. The Waterways Council has joined three environmental groups in urging the Corps of Engineers to include a fish passage at Upper Mississippi L&D 3 in ongoing improvements at the facility, which received \$70.2 million in stimulus funding.

The fish passage has the support of the American Land Conservancy, Audubon Minnesota, and the Nature Conservancy as well as WCI. In a joint letter, they said the project would not only connect Pools 3 and 4 but also important tributaries of the St. Croix and Lower Chippewa. ♦

ON THE HORIZON...

Nov. 2-4, Global Soybean and Grain Transport Conference, New Orleans... Nov. 13-18, National Industrial Transportation League, Anaheim, Calif.... Nov. 17-19, Upper Mississippi River Basin Assn., Navigation Environmental Coordination Committee, and Environmental Management Program Coordinating Committee, Rock Island, Ill....

Nov. 18-19, AASHTO's Standing Committee on Water Transportation, Washington...

Nov. 18-20, Atlantic Intra-coastal Waterway Assn., Savannah... Dec. 2-4, International WorkBoat Show, New Orleans... Dec. 3-5, Mississippi Valley Flood Control Assn., New Orleans... Dec. 10, Seamen's Church Institute's River Bell Awards Luncheon, Paducah... Dec. 10, Missouri River Freight Corridor Forum, Rocheport, Mo....

Feb. 10-12, 2010, World Trade & Transport Conference, New Orleans... Feb. 22-24 (*note change in previously*

announced dates), WCI Washington Meetings, headquarters at W Hotel, Washington... March 2-4, Corps of Engineers/Coast Guard Inland Navigational Conference, St. Louis... March 3-5, National Grain and Feed Assn., Maui, Hawaii... March 4-7, Commodity Classic (American Soybean Assn., National Corn Growers Assn., National Assn. of Wheat Growers and National Sorghum Producers), Anaheim, Calif....

March 9-11, NWC's Budget Summit, Washington... April 14-16, Inland Rivers Ports & Terminals, Inc., Mobile... April 25-28, ASCE's Ports 2010, Jacksonville...

May 6-7, Warrior-Tombigbee Waterway Assn., Perdido Beach, Ala.... Aug. 24-26, Tennessee-Tombigbee Waterway Opportunities Conference, Point Clear, Ala.... Oct. 4-6, WCI Annual Meeting and Waterways Symposium, St. Paul... ♦



Trees snagged from river.
 The Corps of Engineers' Crane Barge Choctawhatchee cleared trees, stumps and other debris completely blocking the Black Warrior River, part of the Warrior-Tombigbee Waterway, about eight miles south of Tuscaloosa. Heavy rains caused hillside dikes around a dredged material disposal area to collapse, filling the river from bank to bank approximately to the top of the normal pool level for a distance of almost 800 feet.



Multiple Lock Closures Delay Waterways Commerce

Ohio River navigation is still restricted at Markland L&D about 70 miles upstream from Louisville and at Greenup L&D just downstream from Huntington, W.Va. At Markland, both the downstream lock gates on the main 1,200-ft. lock failed and await repair or replacement, and at Greenup the main lock chamber is expected to remain closed for scheduled repairs for another month.

At both locations, barge tows must use smaller auxiliary locks, creating frequent traffic delays. At Markland, the middle wall lock gate leaf has been removed, but the river wall gate leaf is still on the bottom of the lock chamber. Officials have not yet determined whether either or both leaves can be repaired, rather than replaced as scheduled next year, but in either case the main lock will likely remain inoperable for several months.

Meanwhile, navigation was expected to be restored later today on the Warrior-Tombigbee Waterway, which had been blocked at River Mile 329 by a landslide and, after it was cleared, by unexpected problems at downstream Selden L&D.

The Selden lock, closed since early September for scheduled maintenance, was

unable to re-open as planned last month because of needed miter gate repairs, which were delayed for days because of high river levels.

Problems with a downstream miter gate caused the lockmaster to shut down The Dalles L&D, halting river traffic on the Columbia River – since there is no auxiliary lock – for 13 days. Among the traffic caught in the September 29-October 12 closure was the *Spirit of '98* excursion vessel on an eight-day river cruise.

A problem with lock machinery halted operations at L&D 24 on the Upper Mississippi some 30 hours in mid-October, trapping the upbound *M/V Jeffrey G* and six barges inside the 600-ft chamber. Lock personnel used a work boat to close the downstream miter gate so the chamber could be filled and the tow freed.

Ongoing guidewall repairs have also slowed traffic at the Inner Harbor Navigation Canal Lock. The scheduled closure of the Old River Lock for routine maintenance has been postponed until next summer. Many rivers, including the Lower Mississippi, are bracing for high water, the result of heavy Midwest rainfall. ♦

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