

Capitol Currents

February 17, 2010



Jo-Ellen Darcy, Assistant Secretary of the Army (Civil Works), will keynote WCI's Waterways Seminar next week. Page 7.



**WATERWAYS
COUNCIL, INC.**

(703) 373-2261
www.waterwayscouncil.org

2011 BUDGET ASKS \$4.9 BILLION FOR CIVIL WORKS, QUESTIONS REMAIN ABOUT FUNDING MECHANISM

THE PRESIDENT'S FY 2011 BUDGET REQUEST for the Army Corps of Engineers' civil works program, submitted to Congress on February 1, totaled \$4.939 billion – \$186 billion (or 3.77 percent) below last year's request or \$506 million (10.24 percent) less than FY 2010 appropriations.

Jo-Ellen Darcy, Assistant Secretary of the Army (Civil Works), said the reduction was "in keeping with President Obama's commitment to constrain the overall level of non-security discretionary spending" in the Federal budget. In his State of the Union address, he pledged a three-year freeze on such spending.

In a last-minute development, the new Federal budget again included a slightly disguised inland waterway lockage fee proposal but, confusingly, promised "a new funding mechanism that raises the revenue needed... in a way that is more efficient and more equitable than the fuel tax."

An increase in the fuel tax of 6 cents to 9 cents per gallon is the mechanism that a waterways industry-Corps of Engineers working group recommended and the Inland Waterways Users Board, WCI, and AWO have since overwhelming endorsed as part of a comprehensive 20-year inland navigation capital development plan.

At a budget briefing, Ms. Darcy said the Administration's 2009 revenue proposal – lockage fees, which she never mentioned by name – remained "available for consideration by Congress," but in answer to a question she

said "what we are looking for" is a funding system which has wide appeal.

Here's how she put it: "We want to consider a funding mechanism that we can get not only support from but agreement among stakeholders that it is a mechanism that we can agree to and that can move this program forward for the next 20 years."

The FY 2011 budget taps the Inland Waterways Trust Fund for \$82.4 million in matching funds for inland navigation construction and major rehabilitation – providing new project investments of \$158.1 million. Overall, the construction account in the next fiscal year totals \$1.69 billion, just 1.7 percent less than last year's request but 20.2 percent under FY 2010 appropriations.

A Congressional hearing on the budget request for Corps of Engineers programs was scheduled last week but postponed until next week because of a major snowstorm which shut down government offices. ♦

WCI's 2010 Seminar Just Around the Corner

Next Monday-to-Wednesday, the Waterways Council, Inc., will hold its Washington meetings, including our Waterways Seminar, Capitol Hill visits and Leadership Service Award Dinner. Details Page 7. ♦

INSIDE THIS ISSUE:

WCI pushed capital investment plan 4
Budget recommends infrastructure bank . . . 5

Decision near on Northwest salmon issue . . 8
Infrastructure spending called "essential"...16

CIVIL WORKS PROGRAM FUNDING: FY 2009 – FY 2011

Civil Works Program	FY 2009 Enacted (000)	Stimulus (000)	FY 2010 Request (000)	FY 2010 House (000)	FY 2010 Senate (000)	FY 2010 Conference (000)	FY 2011 Request (000)
Investigations	\$168,100	\$25,000	\$100,000	\$142,000	\$170,000	\$160,000	104,000
Construction	2,141,677	2,000,000	1,718,000	2,122,679	1,924,000	2,031,000	1,690,000
Operations & Maintenance	2,201,900	2,075,000	2,504,000	2,510,971	2,450,000	2,400,000	2,361,000
MR&T Flood Control	383,823	375,000	248,000	251,375	340,000	340,000	240,000
Regulatory Program	183,000	25,000	190,000	190,000	190,000	190,000	193,000
General Expenses	179,365	0	184,000	184,000	186,000	185,000	185,000
Formerly Utilized Sites	140,000	100	134,000	134,000	140,000	134,000	130,000
Office of ASA/CW	4,500	0	6,000	6,000	5,000	5,000	6,000
Flood Control & Coastal Emergencies	0	0	41,000	0	0	0	30,000
TOTAL	\$5,402,355	\$4,600,000	\$5,125,000	\$5,541,025	\$5,405,000	\$5,445,000	4,939,000²

PROJECT FUNDING COMPARISON: FY 2009 – FY 2011

CONSTRUCTION MAJOR REHAB IN V

Project	FY 2009 Enacted (000)	Stimulus (000) ¹	FY 2010 Request (000)	FY 2010 House (000)	FY 2010 Senate (000)	FY 2010 Conference (000)	FY 2011 Request (000)
Robert C. Byrd	\$931	\$69	\$0	\$0	\$0	0	0 ³
Chickamauga	42,000	62,654	1,000	1,000	1,000	1,000	0
Grays Landing/ Point Marion	600	0	0	0	0	0	0 ³
Inner Harbor	957	0	0	0	0	0	0
John T. Myers L&D	0	8,300	0	0	0	0	0
Kentucky Lock	22,330	58,000	1,000	1,000	1,000	945	2,868
McAlpine	6,270	0	0	0	0	0	0 ³
Marmet	9,000	0	0	0	0	0	0 ³
Mel Price L&D	0	2,000	0	0	0	0	0 ³
Lower Mon 2, 3 & 4	15,900	68,500	6,210	6,210	6,210	6,210	2,000
Olmsted	109,094	4,906	109,790	109,790	105,000	101,521	136,000
Emsworth	25,800	19,000	25,000	25,000	25,000	23,619	11,500
L&D 3, Upper Miss	957	70,239	0	0	0	0	0 ³
L&D 11, Upper Miss	2,632	4,138	0	0	0	0	0 ³
L&D 19, Upper Miss	0	0	0	0	0	0	0 ³
L&D 25, Upper Miss	0	3,800	0	0	0	0	0
Lock 27, Upper Miss	2,486	29,700	0	0	0	0	350
Lockport	27,369	71,500	0	0	0	0	0 ³
Lower Monumental L&D	0	0	0	0	0	0	0
Markland	10,144	7,800	1,000	1,000	1,000	945	5,400
TOTAL	\$276,470	412,606¹	\$144,000	\$144,000	\$139,210	\$134,240	158,118⁴
Bayou Sorrel	1,434	0	1,239	1,239	1,239	986	2,000
Calcasieu Lock	574	0	1,000	1,000	1,000	852	1,000
Emsworth, Dashields and Montgomery	4,015	0	0	1,250	1,700	1,255	749
Greenup	335	0	0	1,000	0	448	0
Upper Mississippi/ Illinois Waterway PED	8,604	0	0	0	9,000	6,276	0

Note. For footnotes and expanatory details, see bottom of next page.

Be ‘Flexible’ in Budget, Senators Exhort OMB



On January 22, barely a week before the FY 2011 budget request was submitted, 20 Senators signed a letter to OMB Director Peter R. Orzag urging that the budget document “be as flexible as possible” with regard to new funding for the Inland Waterways Trust Fund. Sens. Tom Harkin (Iowa) and Christopher S. (Kit) Bond (Missouri) circulated the letter, which was signed by one or both senators from 12 states.

The Inland Waterways Users Board, in conjunction with the Corps of Engineers, is

“working toward a consensus solution that will better meet the needs of the industry as well as the shippers and receivers of goods,” the letter stated. “We understand that the board plans to have a formal proposal for a broad solution within the next few months.”

“A solution to the inland marine transportation system difficulties has been elusive for a long time,” the Senators said in their letter. “We want to do what we can to maximize the chance that a broad agreement on the solution can be reached.” ♦

U.S. Treasury Still Plugs Lockage Fee Proposal

While OMB’s budget documents avoided mentioning a lockage fee, the Treasury Department’s “General Explanations of the Administration’s FY 2011 Revenue Proposals” again slammed the fuel tax as “not the most efficient method for financing” waterways expenditures while praising “a fee system based on lock usage.”

Several tables in both OMB and Treasury documents show new anticipated revenues from “user charge proposals in the FY 2011 budget” as producing an additional \$1.053 billion over the next 10 years, as follows: \$196 million in FY 2012, \$163

million in FY 2013, \$187 million in FY 2014, \$129 million in FY 2015, \$100 million in FY 2016, \$72 million in FY 2017, \$70 million in FY 2018, and \$68 million in FY 2019 and in FY 2020.

An explanatory note in OMB’s “Analytical Perspectives” states that the budget “proposes to replace the fuel tax with a new funding mechanism that raises the needed revenue in a way that is more efficient and more equitable than the fuel tax.” Virtually the same statement appears in several places in the various budget documents. ♦

NOTES CONCERNING THE FUNDING COMPARISON TABLE ON THE PRECEDING PAGE

¹ Stimulus funding provided by the American Recovery and Reinvestment Act of 2009, enacted last February, has been updated to show project allocations through the first quarter of FY 2010. These changes shown here are attributable to bids coming in under or over Government estimates.

² The Federal budget request includes a proposal to “permanently cancel” all amounts previously appropriated but not obligated for construction of the Yazoo Backwater Pump in the Mississippi Delta, a project which EPA vetoed in 2008. The unobligated totals are shown as \$52 million in one document and \$58 million in another.

In August 2009, the Mississippi Levee Board sued EPA in Federal District Court, contending that the agency had no authority to stop the project because it was approved by Congress before EPA was granted veto power in the Clean Water Act of 1977.

³ Project completed or fully funded.

⁴ The budget request shows \$82,334,000 in matching funds as coming from the Inland Waterways Trust Fund, which would indicate total expenditures of \$164,668,000 for inland waterway construction and major rehabilitation – but the budget request allocates only \$158,118,000 to such projects.

WCI Calls on Congress to Adopt Investment Plan



Hours after the FY 2011 budget request was unveiled, the Waterways Council, Inc., urged Congress to adopt a comprehensive package of recommendations proposed by a waterways industry and Corps of Engineers working group “to ensure the continued vitality of the U.S. inland navigation system for the next 20 years.”

The recommendations would preserve the present 50/50 cost sharing for new navigation construction and major lock rehabilitation projects. Waterway users would be shielded from having to fund significant cost overruns. Rehab projects costing less than \$100 million and dam construction and rehabilitation would not be subject to future cost sharing.

“Government and industry stakeholders are committed to this consensus-based long-term capital development plan that will insure our

nation continues to derive the benefit from our energy-efficient, congestion-relieving waterways transportation system,” said Cornel J. Martin, WCI’s president and CEO. ♦

J-Sheets Reveal Drop in Olmsted L&D Cost



On the same day that the Federal budget request for FY 2011 was released, the Corps of Engineers posted its “justification sheets” for each of its scores of investigations, construction and O&M projects funded in the budget. Previously, the J-sheets, as they are called, were not available until many weeks after the budget was submitted.

The J-sheets include new cost estimates, lower in some cases, for several construction projects. Olmsted L&D, for instance, is now estimated to cost \$2.044 billion – \$80 million lower because of “deflation during construction.” Likewise, Kentucky Lock’s cost was put at \$713.4 million, a decrease of \$20.8 million due to “price level updating and inflation.”

The cost estimate went up \$2.1 million at Markland (total cost: \$35.8 million). At Monongahela L&Ds 2, 3, and 4, the unofficial estimated cost is now \$1.7 billion. The J-sheets, which run 1,760 pages, may be accessed at http://usace.army.mil/CECW/PID/Pages/cecwm_progdef.aspx ♦

Capitol Hill Panels Plan Hearings on ‘11 Budget

House and Senate committees will soon have an opportunity to react to the President’s budget request. Jo-Ellen Darcy, the Assistant Secretary of the Army (Civil Works), and Lt. Gen. Robert L. Van Antwerp, the Chief of Engineers, are scheduled to testify:

House Appropriations Subcommittee on Energy and Water Development – 2:00 p.m., February 24.

Water Resources and Environment Subcommittee of the House Transportation and Infrastructure Committee – 10:00 a.m., March 4.

Senate Appropriations Subcommittee on Energy and Water Development – 10:00 a.m., March 11. ♦

Budget Anticipates Cuts in Future Corps Funding

A table in one of OMB’s FY 2011 budget documents (“Summary Tables”) paints a bleak picture of projected funding for the civil works program over the next few years. In FY 2012, the funding level is shown as \$4.7 billion, dropping to \$4.6 billion in FY 2013 before rising to \$4.7 billion in FY 2014 and \$4.8 billion in FY 2015.

These are only projections, of course, as it is the Congress which makes the final decisions on the Federal budget, although subject to a Presidential veto. ♦

Budget Seeks \$4 Billion for Infrastructure Fund

The President's FY 2011 budget request includes a legislative proposal to create a "National Infrastructure Innovation and Finance Fund" for grants and credit assistance for transportation and transportation-related infrastructure projects "of national or regional importance," including "ports and maritime assistance." For this new initiative, \$4 billion was requested.

The proposal would establish "a new direction in Federal infrastructure investment that emphasizes demonstrable merit and analytical measures of performance," the budget said. Investments would be in the form of grants, loans, or a blend of both, plus loan guarantees – which officials hope will "encourage collaboration among non-Federal stakeholders including states, municipalities and private investors..."

In 2009, the Administration requested \$5 billion to fund an infrastructure bank. The House approved a provision in another infrastructure bill allowing the possible transfer of \$2 billion to the proposed bank – if it was subsequently authorized. The measure, however, failed to clear a House-Senate conference committee, partly because of the authorization issue. ♦

Corps Program Totaled \$10.8 Billion Last Year

In FY 2009, which ended last September 30, the Corps of Engineers reports that it executed \$10.84 billion in civil works funds, an increase of 42 percent over FY 2008. The total included \$2.21 billion in stimulus funding through the American Recovery and Reinvestment Act and \$3.2 billion in emergency supplemental appropriations as well as \$5.402 billion in the Energy and Water Development Appropriations Act.

In a fact sheet, the Corps claimed it was "nearly perfect" in carrying out its FY 2009 scheduled work, achieving an execution rate of 98 percent of its regular program, 99 percent of its stimulus projects, and 96 percent of its supplemental work. ♦

TAX TOTALS. Since towboats on most inland waterways began paying fuel taxes in 1980, the U.S. Treasury has recorded Inland Waterways Trust Fund revenues of about \$2.197 billion, including interest. That's in actual dollars. In constant 2009 dollars, the total would be about \$3.034 billion. ♦

At budget briefing. Lt. Gen. Robert L. Van Antwerp, Chief of Engineers, third from left, and other civil works leaders briefed media and others on the Corps' budget request. From left are Gary A. Loew, chief of programs integration; Maj. Gen. William T. Grisoli, Deputy Commanding General for Civil and Emergency Operations; Gen. Van Antwerp; and Asst. Army Secy. Jo-Ellen Darcy.



Ecosystem Restoration, Seepage Control Funded

The FY 2011 budget request allocates about \$450 million (more than 26 percent of the construction account) for high-priority environmental programs, including \$21.2 million for Upper Mississippi River restoration, \$78.4 million for Missouri River fish and wildlife recovery, \$137.6 million for Columbia River fish mitigation, \$4.7 million for Lower Columbia ecosystem restoration, and \$180 million for South Florida Everglades restoration.

One of the two new construction starts in the budget request was for \$19 million for

aquatic ecosystem restoration as part of the Louisiana Coastal Area Program. The other new start was a \$10 million non-structural flood damage reduction project in Texas.

Also funded in the FY 2011 request were three seepage-control projects: dams creating Lake Cumberland in Kentucky, \$134 million, and Center Hill Lake in Tennessee, \$77.8 million, both on the Cumberland River upstream from Nashville, and Herbert Hoover Dike around Lake Okeechobee in Florida, \$105 million. ♦

‘New Direction’ Proposed for Corps of Engineers

In the investigations account, the new budget request includes \$500,000 “for continued support” of the Administration’s effort to revise procedures “for planning future Federal water resources projects” as well as “improving the management of existing projects to incorporate current water resources planning concepts and analytical methods.”

This has reference to the proposed new “principles and standards,” released last December, for evaluating water resources projects. The criteria were developed by several Federal agencies, chaired by the White House Council on Environmental Quality. Public comments are due by March 5.

In a paragraph titled “Supports a New Direction for the Corps,” an OMB budget

document said “the Administration intends to develop a set of board principles to chart the future course of the Corps and to help guide authorization of Corps studies, projects, and programs in the next Water Resources Development Act.” ♦

BUDGET BRIEFS

- ♦ For many years, Federal budgets have requested funds for “rivers and harbors” and other water resources programs. No more. The FY 2011 budget substitutes “commercial navigation” for “rivers and harbors.” Why the change? There was no explanation.
- ♦ The new budget includes only construction projects with a benefit/cost ratio of 2.5 to 1.0 or higher. The FY 2008 budget request included projects with a B/C ratio of at least 1.5 to 1.0. Such ratios are for budgeting purposes. The law only requires that benefits exceed costs.
- ♦ Lt. Gen. Robert L. Van Antwerp, Chief of Engineers, coined a new word at the Corps’ budget briefing. Here’s his quote: “When I talk to our engineers, I say ‘you are solution-eers’ because that’s what we do.”

Going over the budget.

William T. Harder, right, navigation business manager for the Corps’ Great Lakes and Ohio River Division, explains Ohio Valley provisions in the new Federal budget request to Cornel J. Martin, WCI’s president and CEO.



Ms. Darcy to Keynote Our Waterways Seminar

WCI's three-day Washington meetings, including our Waterways Seminar, Congressional outreach, and Leadership Service Award dinner are only days away – February 22-24. The program starts at 2:00 p.m., on Monday, when WCI Chmn. Richard R. (Rick) Calhoun of Cargill Marine & Terminal, Inc., will chair a board of directors' meeting. An opening reception is planned in the evening.

Jo-Ellen Darcy, Assistant Army Secretary for Civil Works, will keynote the Waterways Seminar the next morning. Maj. Gen. William T. Grisoli, the Corps' new Deputy Commanding General for Civil and Emergency Operations, will speak at a luncheon.

There will be two panel discussions, the first with Congressional leadership staffers exploring the agenda for the current session. The second panel will include Kurt J. Nagle, president of the American Assn. of Port Authorities, and Janet P. Oakley, director of policy and government relations for the American Assn. of State Highway and Transportation Officials. ♦



Generals confer. At the Castle Ball, Lt. Gen. E. R. (Vald) Heiberg, III, Ret., a former Chief of Engineers (1984-88), left, visits with Brig. Gen. Gerald E. Galloway, Jr., Ret., now a professor at the University of Maryland. He headed a White House study of Federal flood management policy following the disastrous 1993 Midwest floods.

Capitol Visits to Launch Push for Investment Plan

On Tuesday afternoon, members of the Inland Waterways Users Board who participated in the inland waterways capital development plan will explain its formulation. R. Christian Johnsen and John S. Doyle, Jr., of the Jones Walker law firm's Washington office will then discuss ways of communicating the plan. Mr. Doyle is also WCI's vice president-government relations. A meeting of the National Waterways Foundation's trustees will follow.

The new capital development plan will be Topic A the next day when WCI members will split up into about a dozen teams to visit the offices of House and Senate members. In the evening, Sen. Charles E. (Chuck) Grassley (Iowa) will receive WCI's Leadership Service Award.

For the first time, all events will be held at the same location – the newly renovated W Hotel on 15th Street, Northwest, and Pennsylvania Avenue. Its rooftop terrace affords bird's-eye views of the White House grounds and Washington Monument. ♦

You Can Still Register for Meetings Next Week

It's still not too late to register for WCI's Washington meetings. The registration fee is \$350 and tickets to the Leadership Service Award reception and dinner are \$195 each. You can pay by credit card, too, on our website: www.waterwayscouncil.org. ♦



NW Salmon Plan's Fate in Judge Redden's Hand

Dr. Jane A. Lubchenco, administrator of NOAA (which includes the National Marine Fisheries Service), announced several revisions in Federal policy last September to preserve salmon runs on the Columbia-Snake River System. She called the changes an “adaptive management implementation plan.”

Corps \$\$\$ in ‘Jobs Bill’ Depend on Senate Vote

In December, the House passed a “jobs” bill with some \$48 billion in infrastructure spending, including \$715 million for Corps of Engineers’ civil works construction projects. Last week, the Senate Finance Committee released its version with only \$2 billion specified for infrastructure – that is, subsidies for bonds issued for certain public works projects.

Even that provision appears to be in jeopardy after the Majority leader decided to hold a vote on a much pared-back \$15 billion bill. If it passes, a House-Senate conference committee would decide whether the final legislation includes funds for Corps infrastructure projects. ♦

It included a last-resort option of removing the river system’s navigation/hydroelectric dams.

Federal District Judge James A. Redden, who is considering whether the current “biological opinion” complies with the Endangered Species Act (ESA), has given the Fisheries Service until Friday to decide whether to roll the proposed revisions into a new overall biological opinion. Unless “procedural problems” with the revisions are fixed, the judge said he could not consider them.

The Federal defendants, including the Fisheries Service, “must comply with ESA in preparing any amended/supplemental biological opinion,” Judge Redden said. ♦

Engineers Give D-Minus to Waterways in Illinois

Over the last year, 33 civil engineers from the Illinois chapter of the American Society of Civil Engineers have examined inland waterways in and around Illinois and given them a grade of D-minus. In their report, the engineering group said the low grade indicated that “the navigation locks currently have unacceptable reliability.”

“Delays cost consumers more than \$100 million per year,” the ASCE report stated. “All but one of the navigation locks along Illinois’ waterways are more than 50 years old. Thirty-four of the 38 locks on the Upper Mississippi River are only 600 feet long, requiring inefficient and risky double lockages.”

The report urged Congress to “develop a capital improvement program structured to provide a multi-year source of funding to ensure delivery of waterway capital projects,” including construction of larger locks. More O&M funding was also recommended to “reduce the risk of costly failures.” ♦



Budget talk. Maj. Gen. William T. Grisoli, left, who is the Corps’ top civil works official, speaks with Lt. Gen. Robert L. Van Antwerp, the Chief of Engineers, at the agency’s briefing on the President’s FY 2011 budget request.

Report Questions Equity of Port Maintenance Tax

In a new report on “Harbor Maintenance Trust Fund Expenditures,” the Congressional Research Service (CRS) confirms that “despite a large surplus in the trust fund, the busiest U.S. harbors are presently under-maintained.” In fact, the report quotes the Corps of Engineers as estimating that full-channel dimensions at the 59 busiest U.S. ports are available less than 35 percent of the time.



“This situation can increase the cost of shipping as vessels carry less cargo in order to reduce their draft or wait for high tide before transiting a harbor,” the report stated. “It could also increase the risk of a ship grounding or collision, possibly resulting in an oil spill.”

“In addition to possibly increasing HMTF expenditures, policymakers may consider whether current expenditures are being efficiently and equitably utilized,” the CRS report said. It lists where trust fund monies were collected (mostly large ports) and where they were spent (many smaller ports), reviving a dispute which Congress settled in 1986 when it opted for nationally uniform rather than port-specific levies.

At this time, approximately \$5 billion is in the Trust Fund. Since it is not a separate or off-budget account within the Federal budget, the CRS report explained that the “surplus” has “in effect already been spent on general government activities.” ♦

Waiting for the briefing. At the Corps’ budget briefing, Claudia L. Tornblom, left, the Deputy Assistant Secretary of the Army (Civil Works) handling management and budget issues, left, chats with W. Curry Graham, the Corps’ public affairs director. Mr. Graham presided at the briefing on the new Federal budget request.

Ohio Names Ohio River as a ‘Marine Highway’

Without waiting for the Federal government to formally launch its long-touted “short-sea shipping” initiative, the Ohio Department of Transportation has designated the Ohio River and Lake Erie as “marine highway” corridors.

“Ohio has 717 navigable miles of waterways, and they are utilized at 30 percent of capacity,” said Scott J. Varner of the Ohio DOT. “There is so much room for growth,” with officials envisioning passenger ferries

and container vessels to ease congestion on the state’s Interstate highways.

In October 2008, the U.S. Department of Transportation published an “interim final rule” establishing a framework for Federal support of “marine highways,” including designation of such corridors. The final rule is expected to be published soon. In October 2009, the President signed legislation authorizing a grants program for marine highways, but money for the grants has yet to be appropriated. ♦

CORPS LEADERS HAVE FUN IN SURPRISE ‘BARBER SHOP’ SKIT



- F.T. Eyre, Army Corps of Engineers

1

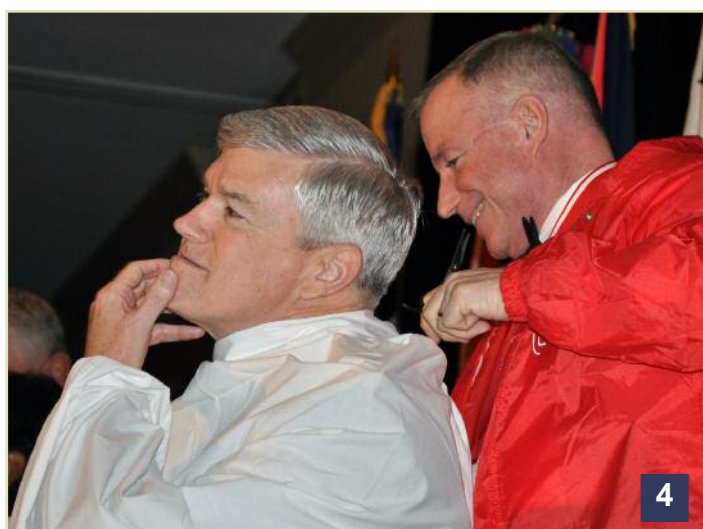


2



- F.T. Eyre, Army Corps of Engineers

3



4

On stage at the Castle Ball. Lt. Gen. Robert L. Van Antwerp, the Chief of Engineers, and Maj. Gen. Merdith W.B. (Bo) Temple, the Deputy Chief, turned the Castle Ball stage into an impromptu “barber shop” and began inviting top Corps leaders to sit in their barber chairs for mock haircuts, all the while asking them tough policy questions.

Photo 1: Gen. Van, as he is known, lathers Maj. Gen. Bill Grisoli’s head, left, while Gen. Temple works on Stephen L. Stockton, civil works director. Photo 2: Robert D. Slockbower, military programs director and a former Southwestern Division regional business director, gets a head massage. Photo 3: Mr. Stockton tries to respond to Gen. Temple’s questioning. Photo 4. Maj. Gen. Michael J. Walsh, commander of the Mississippi Valley Division, in the “hot seat.” Photo 5: Gen. Grisoli, with his head now shaved, shares a laugh with Gen. Van.



5

GULF COAST REPORT*Impact Information Vital in Reopening Closed Channels*

On Saturday, January 23, the tanker *Eagle Otome* veered into the path of an oncoming loaded tow in the Sabine Neches Waterway near downtown Port Arthur. This unfortunate event set off a response effort that would close the waterway and Sabine Ship Channel for almost a week, precipitating one of the largest traffic backups in GIWW's history.

Over 11,000 barrels of light crude oil released into the waterway spread throughout the area and all the way to the Gulf of Mexico. GICA joined the Command Center on Sunday and assisted in the response through the reopening of the GIWW the following Saturday.

This was my fourth experience in responding to a major oil spill, having been involved in the 2004 *Torm Mary*, 2006 Lake Charles, and 2008 New Orleans spills.

Clearly establishing the urgency of restarting maritime commerce is always an issue in these responses. Routinely, the Coast Guard stands up a Marine Transportation System Recovery Unit. Its purpose is at least two-fold: to collect confidential and other data on economic impacts on the affected companies, and to assist in prioritizing movements after the emergency by using some of the information collected.

The Recovery Unit's job is vital to our mission in establishing the importance of our waterways to the nation's economy. The input from our shippers helps put the wide-ranging, national scope of impacts in perspective in a very real way.

Even more important is the input which we, as users of the system, provide the Recovery Unit. It can clearly establish the urgency of re-starting the flow of commerce – impressing the Incident Command like nothing else!

When we began to see that the impacts of the GIWW stoppage were reaching

across the country, the urgency became much more apparent. Initially, the Recovery Unit only focused on local impacts, but this changed after we began to report impacts to facilities far outside the Port Arthur area.

Industry response with priority tow information helped us manage the restart process more effectively. Providing this information to the Recovery Unit reinforced urgency and substantiated the waterways' real value.

The Port Arthur spill initially impacted a relatively narrow, well confined reach of waterway. Tidal currents and winds soon spread the oil over much larger areas, resulting in the total closure of the Sabine Ship Channel and GIWW.

Any major waterway closure always tests our ability to work together on the water as a team, and being able to do that in Port Arthur helped to re-establish deep- and shallow-draft traffic much faster and safer.

Our mariners proved, once again, that they are truly professionals by moving over 200 tows through a congested clean-up zone without incident within the initial 24 hours after restart. One company supplied on-scene, experienced vessel traffic coordinators. By providing towboats for inspectors during extremely bad weather, another company allowed the clearing process to continue.

The Port Arthur VTS team, capably headed by one of our own, Mike Measells, orchestrated all of the events. The Sabine Pilots were another key member of this effort.

All of us working together in close coordination, staying in almost constant communication, and "thinking outside the box" keeps us getting better and better at managing these unfortunate but probably inevitable events.

Raymond Butler, Executive Director
Gulf Intracoastal Canal Assn.

IN THE MAINSTREAM...



Gen. Morris



Mr. Nichol



Mr. Cheatham

Michael W. (Mike) Hennessey, formerly vice president-river operations of Consol Energy, Inc., has a new position: he's vice president-sales and marketing for Brownsville (Pa.) Marine Products, LLC, a barge building and repair yard...

Mark A. Homrigh, president of Volunteer Barge and Transport, Inc., is now president of Tennessee River Valley Assn.... The Federal Maritime Commission's newly installed commissioner, Michael A. Khouri, has named **John A. Moran** as his counsel. Mr. Moran is a former FMC commissioner (1998-02) who has since worked for the Jones Walker law firm's Washington office...

H. Stevens (Steve) Wallace, Jr., formerly in the construction equipment business, is the new executive director of the Tupelo-based Tennessee-Tombigbee Water Management District...

The American Society of Civil Engineers plans to present life-time achievement awards next month to retired **Lt. Gen. John W. Morris** of Wilmington, N.C., who served as Chief of Engineers in 1976-80, and **Robert D. Nichol** of Long Beach, Calif., chairman of Moffatt & Nichol Engineers.

IN THE CORPS. Two members of the Senior Executive Service have received the Meritorious Presidential Rank Award: **James C. Dalton**, chief of the engineering and construction division, and **Lloyd C. Caldwell, Jr.**, programs director in the North Atlantic Division. **Earl H. Stockdale, Jr.**, the Corps' chief counsel, received the Distinguished Presidential Rank Award...

P. J. Spaul, the Little Rock District's public affairs officer (PAO), received the Michael C. Robinson Award for Public Affairs Practitioner of the Year. (Mr. Robinson, an historian and the Mississippi Valley Division's PAO, died in 1998.)...

Constantine G. (Gus) Marinos, chief of the Galveston District's emergency management office, was named as the Corps' emergency manager of the year...

USCG. **Rear Adm. Sally Brice-O'Hara**, deputy commander for operations in Coast Guard headquarters, has been nominated for

promotion to vice admiral and assignment as the service's incoming vice commandant...

Subject to Senate confirmation, the President has filled four vacancies on the Tennessee Valley Authority's nine-member board: **Marilyn A. Brown**, energy policy professor at Georgia Tech; **Barbara S. Haskew**, economics professor at Middle Tennessee State University; **Neil G. McBride**, an Oak Ridge public-interest attorney; and **William B. (Bill) Sansom**, a Knoxville businessman who served as TVA's board chairman until last May...

The Senate has finally confirmed **Robert W. Perciasepe** as EPA's deputy administrator. In the Clinton administration, he was EPA's assistant administrator for water... **Eric C. Schwaab**, deputy secretary of Maryland's Department of Natural Resources, has been picked to head NOAA's fisheries division...

RETIRING. **Glen L. Cheatham, Jr.**, manager of the Oklahoma state government's waterways branch (now in the Oklahoma DOT) since 1986, plans to retire in August. Earlier, he was Muskogee's port director for 13 years...

C. David Work, Sr., port director for the Rosedale-Bolivar County (Miss.) Port Commission since 1977, four years before the port opened, is retiring at the end of June. Succeeding him will be **Robert R. Maxwell, Jr.**, who is now assistant port director...

WHERE THEY ARE NOW. **Bruce I. Knight**, USDA's Under Secretary for Marketing and Regulatory Programs in the last administration, has formed a consulting firm, Strategic Conservation Solutions... **Marcus C. Peabody**, formerly EPA's deputy administrator, has joined the Pew Charitable Trusts to track Federal subsidies...

Rear Adm. Joel R. Whitehead, USCG-Ret., commander of the Coast Guard's Eighth District until last June, has been named vice president of SRA International, Inc.... Former Transportation Secy. **Mary E. Peters** is now a senior advisor to Zachry American Infrastructure, Inc.... ♦

Congr. Jack Murtha, Navigation Supporter



Congr. Murtha

Congr. John P. (Jack) Murtha, 77, who championed waterways projects in Western Pennsylvania, died last week of complications following gallbladder surgery. His death came just two days after he became the longest serving Member of Congress in Pennsylvania's history.

Congr. Murtha, a former Marine Corps officer who fought in both Korea and Vietnam, had served in Congress since 1974. At the

time of his death, he was chairman of the Defense Appropriations Subcommittee, which has jurisdiction over some \$630 billion in annual appropriations.

In 1994, Pittsburgh's Three Rivers Regatta presented Mr. Murtha its "Riverperson of the Year" Award for his "support of river navigation and river restoration." His Congressional district included Monongahela L&D 4, also known as Charleroi Lock. ♦



In Memoriam...

Charles Kenny (Kenneth) Tubbs, 89, of St. Louis, founder of Humbolt Boat Service Co., famous for its "Mighty Mites" line of boats with high pilothouses...

Peter F. Brescia, 86, of Alexandria, Va., a former diplomat for the State Department and later USIA in several foreign countries. Survivors include a son, Christopher, president of MARC 2000 (1992-2005), who is now director-government affairs for Smurfit-Stone Container Corp....

Robert A. Mosbacher, 82, of Houston, a Texas oilman, chief fundraiser in five Presidential campaigns, and a former Secretary of Commerce (1989-92). In 1997, he addressed the National Waterways Conference's annual meeting... To their families and friends, we extend our condolences. ♦



Mr. Mosbacher

QUOTES IN THE NEWS...

WCI leaders in St. Louis, Nashville and St. Paul have contributed guest columns to their hometown newspapers, which recently publish-ed them on their op-ed pages. Here are short excerpts from their columns:

"It's critical that we properly maintain and update our nation's navigation infrastructure: locks, dams, terminals and related facilities... [The] benefits of our country's rivers go far beyond the barge industry. The river gives to us all, providing recreation, hydropower, drinking water and a haven for birds, fish and other wildlife. We all stand to benefit by taking steps to ensure the health, strength and stability of our inland waterways for years to come." – **Mark K. Knoy** of AEP River Operations in *St. Louis Post-Dispatch*.

"Some things in life are out of sight, out of mind. But Tennessee has something critically important to our state's economic viability that is in sight but still out of mind: our navigable river system... America's – and Tennessee's – river transportation system helps keep our country and our region competitive..." – **Daniel P. Mecklenborg** of Ingram Barge Co. in *Nashville Tennessean*.

"If we don't make necessary and appropriate investments now, paid for through fair and equitable taxation, a vital portion of our nation's and state's transportation system is in jeopardy. Minnesotans deserve better..." – **Lee J. Nelson** of Upper River Services in *St. Paul Pioneer Press*. ♦

ON THE HORIZON...

Feb. 22-24, WCI's Washington Meetings, headquarters at W Hotel, Washington... Feb. 25-26, Coosa-Alabama River Improvement Assn., Mobile... Feb. 27, Missouri Levee and Drainage District Assn., Columbia, Mo.... Feb. 27-March 4, PNWA Mission to Washington, D.C....

March 2-4, Inland Navigational Conference (Coast Guard/Corps of Engineers), 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 9-10, NWC's Legislative Summit, Washington... March 17-19, Missouri River Natural Resources Committee, Corps of Engineers and U.S. Fish and Wildlife Service Conference and BiOp Forum, Nebraska City, Neb....

March 22-23, AAPA Spring Conference, Washington... April 6-7, North American Marine Highways and Logistics Conference, Baltimore... April 12-16, Mississippi River Commission's high-water inspection trip and public meetings, Cairo to Baton Rouge...



April 13, Inland Waterways Users Board, Washington area... April 14-16, AWO Spring Convention, Arlington, Va.... April 14-16, Inland Rivers Ports & Terminals, Inc., Mobile... April 20-22, Critical Commodities Conference, New Orleans...

April 25-28, ASCE's Ports 2010, Jacksonville... April 30, National Rivers Hall of Fame's Captain's Ball, Dubuque... May 6-7, Warrior-Tombigbee Waterway Assn., Perdido Beach, Ala.... May 9-14, PIANC

Congress, Liverpool, UK...

Aug. 11-13, Gulf Intracoastal Canal Assn., New Orleans... Aug. 24-26, Tennessee-Tombigbee Waterway Opportunities Conference, Point Clear, Ala.... Sept. 8-12, World Dredging Conference, Beijing...

Sept. 19-24, World Canals Conference, Rochester, N.Y.... Sept. 22-24, National Waterways Conference, Boston... Oct. 4-6, WCI Annual Meeting and Waterways Symposium, St. Paul... Oct. 13-15, AWO Fall Convention, San Francisco...

COMING NEXT YEAR. Sept. 13-15, 2011, SmartRivers Conference, New Orleans.... ♦

Networking. At the reception preceding the annual Castle Ball, Mark J. Carr of AEP River Operations, right, spoke with Terrence C. (Rock) Salt, Principal Deputy Assistant Secretary of the Army (Civil Works). Mr. Salt, a former District Engineer at Jacksonville, came here from the Everglades restoration program.



Lock Closures Proposed To Stop Carp Migration

The battle to keep Asian carp out of the Great Lakes continues to draw national attention, including a White House summit and a Congressional hearing. Officials from several Great Lakes states – but not Illinois or the governor of Indiana – want Chicago area locks to be closed and, in addition, a permanent “ecological separation” of the Mississippi River System and the Great Lakes.

“We are confident that Congressional and Administration leadership and stakeholder cooperation will lead us to a sustainable solution that protects the Great Lakes ecosystem without sacrificing critical jobs and the

environmental and economic benefits of barge transportation,” Delbert R. (Del) Wilkins of Channahon, Ill., vice president of Canal Barge Co., testified before a House Transportation and Infrastructure Committee on behalf of the American Waterways Operators.

Michigan has refiled its request that the U.S. Supreme Court close Chicago and O’Brien Locks to keep the Asian carp from reaching the Great Lakes. Several Federal agencies, including the Corps of Engineers, have developed some 30 short- and long-term strategies to stop carp migration, including “modified structural operations” or periodic closures of the locks. ♦

River full of carp. Sounds of watercraft startled silver carp in the Illinois River last December, causing them to jump out of the water in this dramatic photo. It has been widely published in Midwest newspapers.



- Nerissa Michaels, Illinois River Biological Station

Asian Carp on the Menu Could Save Great Lakes

Louisiana cooks have come up with a low-cost way to curb rapidly growing Asian carp populations in America’s rivers – and the threat they pose to the Great Lakes. The carp are to be marketed nationwide as “silverfin.”

“It’s too good to ship to Asia,” said Chef Philippe Parola, chief executive of Chef Parola Enterprises in Baton Rouge. “It’s too

good to use as bait, and it’s too good to leave on the bank.” The fish tastes like a cross between scallops and crab meat, he said.

Other chefs have already created several silverfin recipes and joined in a marketing campaign which was developed by the Louisiana Department of Wildlife and Fisheries. Frozen silverfin should begin appearing in fish markets soon. ♦

Repairs in Final Phases at Greenup and Markland

A downstream miter gate leaf on the 110-ft. x 1,200-ft. main lock at Greenup L&D on the Ohio River failed on January 27 when a heavy anchorage bar broke. The dislodged gate was



Break caused lock failure. This is the steel anchorage bar, about 4 inches thick and 12 inches wide, which snapped at Greenup Lock and let the heavy miter gate leaf fall, stopping barge traffic from using the main chamber.

lifted from the lock chamber last Friday. The good news is that engineers found only minor damage, meaning that the lock will be back in operation soon. In the meantime, tows must use the smaller auxiliary chamber, with the delay averaging almost 39 hours.

At Markland L&D about 190 miles downstream on the Ohio River, river traffic must still use a 110-ft. x 600-ft. auxiliary lock while repairs continue on the main chamber. Both downstream miter lock leaves, which failed and fell into the water last September, have been repaired and reinstalled. Depending on river conditions, the main lock is expected to open sometime next month.

ELSEWHERE. On the Gulf coast, an oil tanker and a barge tow collided in late January in the Sabine Neches Waterway and GIWW, spilling about 10,000 barrels of Mexican crude oil and creating a back-up of more than 100 tows. At Calcasieu Lock, guidewall repairs are slowing traffic, and high water is causing delays at Brazos River Floodgates and Port Allen Locks, both on the GIWW. ♦

Capitol Currents is
published by



Cornel J. Martin, Publisher
cmartin@vesselalliance.com

Harry N. Cook, Editor
hncook3@msn.com

Andrew Riemer, Assoc. Editor
ariester@vesselalliance.com

801 North Quincy Street
Suite 200
Arlington, VA 22203
(703) 373-2261
www.waterwayscouncil.org

Vol. 6, No. 4

Modernizing Infrastructure Called 'Absolutely Essential'

“What’s wrong with us?” asked an op-ed column in Tuesday’s *New York Times*. “The nation’s ports, inland waterways, drinking water and wastewater systems – you name it – are hurting to one degree or another,” wrote Bob Herbert, whose column is syndicated to newspapers throughout the U.S.

“It’s easy, especially in tough economic times, to push aside infrastructure initiatives, including basic maintenance and repair, in favor of issues that seem more pressing or more appealing,” he wrote. “But this misses the point that infrastructure spending that is thoughtful and wise is an investment, a crucial investment in the nation’s future – and it’s a world-class source of high-value jobs.

“The great danger right now... is that we’ll turn away from our screaming infrastructure needs and let the deterioration continue,” Mr. Herbert said. “With infrastructure costs so high... and with the eyes in Washington

increasingly on deficit reduction, the absolutely essential modernizing of the American infrastructure may not take place. That would be worse than foolish. It would be tragic.” ♦

LETTER TO THE EDITOR. WCI Pres. Cornel Martin thanked *the Times*, and its columnist, for raising the infrastructure issue and specifically mentioning ports and waterways.

“Modern lock-and-dam infrastructure is essential to the health and vitality of our nation – from U.S. competitiveness in world markets, to energy efficiency, to congestion relief, to environmental protection, to modal competition and to the sustainment of American jobs,” he wrote in his letter to the editor. ♦