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Lee Nelson: Locks, dams and a threat to the barge business on the Upper Mississippi

By Lee Nelson

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Some policies that emanate from our nation's capital make sense. Unfortunately, others, like a proposal pertaining to waterways infrastructure, just plain do not.

The Mississippi River system is the primary artery for more than half of our nation's grain and oilseed exports, 20 percent of our coal used to generate electricity in utility plants and 22 percent of our domestic petroleum products. More than 625 million tons of commodities valued at more than \$70 billion move on America's inland navigation system each year.

Worldwide trade is predicted to double over the next decade. With our highways and railways facing serious capacity issues, our inland rivers will be even more critical in the future than they already are for transporting bulk products efficiently.

A recent study by the Texas Transportation Institute at Texas AM underscores the "green" value of riverborne transportation: moving bulk commodities on our inland waterways produces far fewer emissions of carbon dioxide than transporting that same bulk cargo via truck or rail. Additionally, the study identifies that our inland waterways provide relief from congestion on the already over-crowded highways and railways that run through our cities.

Consider this: One jumbo barge has the same capacity as 70 trucks or 16 rail cars. And a typical 15-barge tow on our nation's rivers is equal to 1,050 trucks. Think of that as you travel the Twin Cities at rush hour.

To sustain these important benefits and provide economic growth for tomorrow, investment in our nation's inland navigation system of locks and dams is critical. Many of our locks and dams are decades beyond their design life and are deteriorating rapidly, impacting efficiency, safety, and our world competitiveness. We must modernize our lock and dam system so that farmers, contractors, steel plants and stone/aggregate suppliers can transport their products cost-effectively and efficiently, allowing them to remain competitive in the world market.

Minnesotans know first-hand the impact of aging or faulty infrastructure on our roads, bridges and track beds — but the locks and dams on our nation's rivers are rarely considered. We need roads, rail and rivers (our inter-modal system) to overcome the distance we are from the rest of the world. Our inland waterways system provides the least costly, most fuel-efficient and environmentally friendly way to move our nation's critical commodities domestically and for export. If we continue to ignore navigation infrastructure, the value this system provides will be drastically reduced.

A proposal from the Office of Management and Budget (OMB) is circulating in Washington calling for a new mechanism to pay for the major rehabilitation and construction of the infrastructure on our river system. This new proposal would shift the tax burden for moving essential "building block" commodities throughout our nation from all the beneficiaries of the system to just a few.

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Currently, the navigation industry pays a tax on each gallon of fuel used to move these commodities across the entire inland waterway system. In place of the existing fuel tax only a "barge lockage fee" would be used to increase and capture federal revenue.

Minnesota will be particularly penalized, because we depend on so many locks to navigate the upper Mississippi. Other areas of the nation have very few, if any, locks to transit. This proposal would jeopardize our region's international and domestic competitiveness. It completely ignores the fact that our nation's waterways are inter-dependent and systemic; and that so too should be the method of taxation used to pay for their infrastructure.

Currently, commercial navigation pays about \$12,800 in taxes for a 15-barge tow to travel roundtrip from St. Louis to St. Paul. Under this proposal the new tax cost would exceed \$70,000.

Relative to those who live downstream, our costs for basic construction materials such as cement and steel will increase; more of our state, county and local tax dollars will be needed to pay for salt to keep our winter roads safe; our farmers will receive less for their crops while paying more for crop nutrients.

At a time when those in Washington are calling for all of us to be more energy efficient and environmentally and fiscally responsible, the imposition of a barge lockage fee that would discourage use of the most energy-efficient, environmentally sound way to move bulk goods by penalizing those on certain parts of the river system seems totally out of step.

What's the alternative to this barge lockage fee proposal? There is an industry/government

partnership that has produced a report for Congress outlining a streamlined plan for ranking, developing and funding future navigation infrastructure projects in a more efficient manner. Those of us in industry are solidly behind this effort. The current process used to plan, construct and pay for the aging locks and dams is broken. Simply spending more money, as fostered by the OMB proposal, to build lock and dam projects that are taking decades beyond what they should to complete is a problem we cannot tolerate.

America's - and Minnesota's - inland river system offers our region and our country an opportunity to compete in the world market, relieves our congested highways, makes our air cleaner to breathe and allows us vast recreational opportunities. 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 Nelson of South St. Paul is president of Upper River Services, a St. Paul-based river harbor operation that moves, parks, cleans and repairs barges throughout the Twin Cities. He has been in the commercial navigation business here for 28 years.

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