



NEWS RELEASE

FOR IMMEDIATE RELEASE

July 26, 2004

Contact: Debra Colbert,
Waterways Council, Inc.,
301/565-5329;
dcolbert@vesselalliance.com

WATERWAYS COUNCIL, INC. STUDY DECRIES ECONOMIC HARDSHIP FROM EMERGENCY CLOSURE OF McALPINE LOCK ON OHIO RIVER LACK OF FUNDING FOR CRITICAL WATERWAYS INFRASTRUCTURE TO BLAME FOR TWO-WEEK CLOSURE

Washington, DC – Waterways Council, Inc. (WCI) today released an interim report on the severe economic impacts resulting from emergency closure of the McAlpine Lock on the Ohio River, near Louisville, Kentucky. The lock will close for approximately 14 days beginning August 9. This closure is of great concern to many users of the waterways system because, unlike most navigation locks on the system, there is no auxiliary lock available at McAlpine and the river will be closed to all navigation at this location for the duration of the repairs. Closure of the lock at McAlpine will affect river traffic moving key commodities such as coal, petrochemicals, aggregates, metallic ores, scrap metal, iron and steel products, ferro-alloys, minerals, grain and fertilizer over a wide area, from the Gulf Coast and the Lower Mississippi River Region to and throughout the Ohio Valley.

This critical situation is the result of a drawn out construction period for a second lock at McAlpine, where federal funding has been insufficient for its on-time completion. Originally authorized in the early 1990s, this second lock, if completed as scheduled, would have opened by now, and the current crisis would have been averted.

The WCI study on the effects of the McAlpine Lock closure involved interviews with 74 producing and consuming industries that are users of the lock for transportation. A few key results of the study:

Surveyed companies were asked whether they would be affected by the lock closure; how they would be affected; provisions underway to minimize effects; and estimates of added costs due to the closure.

- Based upon the responses, seven (7) of the 74 companies will suffer a *Severe Effect* (likely to be cut-backs in production and employment or very high costs for alternate transportation to avoid production losses).

-more-

MCALPINE CLOSURE.../2

- These seven companies will see the flow of about 165,000 tons of commodities disrupted by the lock closure.
- 17 companies will suffer a *Heavy Effect*, with 800,000 tons of traffic affected during the two-week period.
- 22 will feel *Moderate Effects*. Their traffic for the two-week closure amounts to more than 900,000 tons.
- Taken together, the safe and efficient transportation by water of over two million tons of commodities will be disrupted by the two-week closure. This amounts to more than 1,250 loaded barges, 550 empty barges and 190 towboat passages to be delayed by the lock closure. This equates to 80,000 truckloads and a similar number of empty truck return trips traveling the streets and highways of the affected communities.
- Disruption to waterborne commerce will last well beyond the period of the lock closure.

"The impact of the McAlpine Lock closure will be felt on a national basis," said R. Barry Palmer, President/CEO of Waterways Council, Inc. "We must re-double our efforts to secure sufficient federal funding for this Nation's lock and dam infrastructure in order to avoid another crisis like McAlpine," he continued.

Waterways carriers, shippers, port authorities and companies that use the Nation's waterways to transport essential bulk commodities such as coal, grain, petroleum and chemicals valued at more than \$31 billion annually rely upon a well-maintained and modern national system of ports and waterways.

A critical economic generator, the Nation's waterways transport key building block commodities such as coal, which supplies 50 percent of the Nation's electricity. The U.S. barge and towing industry is the most efficient mode of transportation, moving 16 percent of the Nation's freight for just two percent of the freight transportation cost, saving shippers and consumers more than \$7 billion annually compared to alternate transportation modes. Also more environmentally sound, waterways transport handles cargo equal to 40 million trucks or 10 million rail cars each year.

Waterways Council, Inc. is the national public policy organization advocating a modern and well-maintained national system of ports and inland waterways. The group is supported by more than 250 waterways carriers, shippers, port authorities, shipping associations and waterways advocacy groups from all regions of the country.

For a copy of the interim report, contact Andrew Riester, ariester@waterwayscouncil.org, or visit www.waterwayscouncil.org.

