

Summary Minutes  
Inland Waterways Users Board Meeting No.52  
Paducah, Kentucky  
July 13, 2006

The meeting was called to order at 9:00 AM by Mr. Mark Pointon, the Executive Secretary to the Inland Waterways Users Board (Board). Major General (MG) Don T. Riley, the Executive Director to the Board, noted that three members, Chairman Gerry Brown, Mr. Looman Stingo, and Mr. Mark Knoy, will be departing in the fall following conclusion of their second terms on the Board. He thanked them for their excellent service to the Board and the inland waterways community for the last four years. Also, MG Riley announced that a nomination period was again open for new members; candidates can be submitted until August 11, 2006.

MG Riley then welcomed the Federal observers, and invited them to make brief opening remarks. Mr. Alan Bunn, representing the National Oceanic and Atmospheric Administration (NOAA), said that their navigational response teams are ready to open up waterways in case of disasters or hurricane. Mr. Robert Goodwin from the U.S. Department of Transportation Maritime Administration (MARAD) said that work is progressing well at the Committee on the Marine Transportation System (CMTS), with a new Executive Director recently appointed. Mr. Nick Marathon from the U.S. Department of Agriculture noted that the Board is a good vehicle to demonstrate the interaction of waterways and agriculture.

Mr. John P. Woodley, Jr., Assistant Secretary of the Army for Civil Works, said that he was delighted to be attending, and was sorry to have missed the last meeting. Mr. Woodley talked about the Corps' response to Gulf region restoration, which is a great, untold success story. Mr. Woodley emphasized that all of the restoration work in the Gulf is being accomplished without any impact on regular programs, i.e. Olmsted and the other inland projects are proceeding unhampered, as fast as they can with available funds.

Mr. Woodley said that his office is now focusing on the FY 08 budget, and they need input from the Board on priorities for this budget. It will be sent to OMB in September. He also highlighted the CMTS as a very important initiative that will increase advocacy for the inland transportation system.

MG Riley thanked the Louisville District team for organizing the meeting, and the wonderful tour on the previous day, in which Board members visited the Ohio River Lock and Dam (L&D) 52, Ohio River L&D 53, Kentucky L&D, and Olmsted Locks and Dam.

MG Riley then provided an update on Washington happenings. This year (FY 07) saw the largest ever Corps budget and 41% of it is for navigation. Hurricane recovery is fully funded by supplemental appropriations. This has had the effect of doubling the Corps

annual budget in the last eight months, and another supplemental just passed. The Corps is also working on Asset Management and risk based budgeting. The Water Resources Development Act (WRDA) bill has passed in the House, but not yet in the Senate. It may come to the Senate floor very soon.

The minutes of Board Meeting No. 51 were unanimously approved as written.

Mr. David Grier of the Corps Institute for Water Resources (IWR) presented a report on the status of the Inland Waterways Trust Fund. The current balance is \$283.3 million. Transfers to the Corps in 2005 were the highest level since 1991. Transfers are projected to be \$170 million in 2006. At the end of 2007 the Trust Fund balance could be \$150 million based on the House and Senate markups of the FY 07 budget. Traffic has declined 7% this year according to Waterborne Commerce statistics. Coal is strong, but grain exports are less.

Mr. Grier said that there had been no change in the Trust Fund Analysis since February. He went over all the scenarios and how they impact the Trust Fund.

Mr. Len Henry of the Corps Headquarters Programs Integration Division presented information on the FY 2006 and 2007 Funding for Inland Navigation projects and studies. He distributed a table that included amounts from the House and Senate markups. He discussed the Congressional adds and cuts. Major rehabilitation projects have been moved back into the construction account by the markups, from the O&M account as included in the budget. The total Trust Fund portion is approximately \$200 million based on the markups. With Trust Fund income at about \$100 million, there will be a substantial drawdown of the fund this year.

Mr. Woodley noted that Savings and Slippage (S&S) was added by the Senate markup.

A series of technical presentations were made at this meeting. Powerpoints of all of them are posted at the IWUB website, <http://www.iwr.usace.army.mil/newusersboard>

Mr. Gary Loss of the Rock Island District presented a status report on the Upper Mississippi River Study efforts. The economics are being reexamined at cost of \$4.6 million. An interim report on this economic reevaluation is due in September 2007. In March 2009 the final economic reevaluation report will be completed. Mississippi River L&Ds 22 and 25 will be evaluated first.

Mr. Loss also briefed the Board on the Lockport Pool Rehabilitation Project, on the Illinois Waterway. Chairman Gerry Brown noted that this project was new to the Board, this presentation was to provide information for members to think about and discuss the project further at a later date. The project has five major features and it is proposed that it be cost shared with the Trust Fund. Board member Norb Whitlock stated that the project has serious flood control benefits and that the Trust Fund should not cost share at 50%.

Mr. Steve Jones of the Mississippi Valley Division made a presentation on the Mississippi Valley Division's efforts to identify and prioritize deferred maintenance. Participants used the ExpertChoice decision making tool, and were asked to take off their district hats and use a broad regional view. All needs were viewed from a regional perspective. Mr. Leon Mucha of the St. Paul District, the team leader, also participated in the presentation.

Ms. Sheryl Carrubba of the Portland District made a presentation on the John Day Lock and Dam project.

Ms. Veronica Rife of the Louisville District discussed the Ohio River Mainstem Systems Study (ORMSS), which is now under review. All forecasted traffic was driven by coal. Clear Skies initiative and other environmental regulations were considered in scenarios. Ms. Rife invited Board members to submit their comments. Public meetings were held in June. The intent is for this report to be used in development of budgets in the future.

Mr. George Flickner of the Louisville District provided a status report on the McAlpine Locks and Dam project.

Mr. Wayne Huddleston of the Nashville District provided a status report on the Chickamauga Lock and Dam project.

There was one speaker in the public comment period, Mr. Barry Palmer of Waterways Council, Inc. (WCI). He noted much progress in the last two years. The budget has increased a lot. He congratulated MG Riley and Secretary Woodley for their leadership. The focus on completing projects that have been authorized has been working. He sees some light at the end of the tunnel for the McAlpine and Marmet projects. However, there is still a long way to go for the Olmsted and the Lower Monongahela projects. Unscheduled closures show that maintenance has faltered; there are an average of 30 unscheduled closures a year.

Mr. Palmer recognized the Corps' work on risk and reliability, and development of five-year plans. He congratulated the Corps' on the restoration work in Louisiana, without missing a beat in the rest of the Corps programs. We need to be clear on the critical maintenance needs, and need to enlarge the pie of funding for Civil Works, not just navigation. Waterways Council is doing this through advocacy for inland navigation. He is looking forward to working with the Board and the Corps.

In closing comments, MG Riley thanked Louisville District and all of the presenters. It was excellent information that the Board needs to know. He thanked Chairman Brown for leadership of the Board.

Gerry Brown expressed appreciation, on behalf of the Board, to all of the presenters. He said that the field trip was particularly useful, since it's much better to see it. The meeting was adjourned at 12:10 PM.