

**Summary Minutes**  
**Inland Waterways Users Board Meeting No. 56**  
**Holiday Inn Quincy, Douglas & Lincoln Rooms**  
**November 2, 2007**  
**Quincy, Illinois**

Inland Waterways Users Board Meeting No. 56 was called to order by Mr. Mark Pointon, Executive Secretary of the Inland Waterways Users Board (the Board), at 9:00 A.M. Mr. Pointon read remarks for the record, and then turned the microphone over to Mr. Royce Wilken (American River Transportation Company), Chairman of the Inland Waterways Users Board, for welcoming remarks.

Mr. Wilken thanked the Rock Island District for their hospitality and the extremely informative tour of Lock and Dam 21 on the Mississippi River and LaGrange Lock and Dam on the Illinois Waterway. Mr. Wilken then offered Colonel Robert Sinkler, District Commander of the Rock Island District office, the opportunity to make welcoming remarks. Colonel Sinkler welcomed the members of the Inland Waterways Users Board and other attendees to the Rock Island District and the Quincy area.

Major General (MG) Don Riley, Executive Director of the Board, opened the meeting by thanking the Rock Island District and local community for hosting the meeting and providing an excellent tour. He offered congratulatory remarks to Chairman Wilken on his assuming the chairmanship of the Inland Waterways Users Board, congratulated Mr. Gerald Jenkins on his reappointment to the Board, and welcomed the newly appointed members of the Board, Mr. Daniel T. Martin of the Ingram Barge Company, Mr. Tim Parker of the Parker Towing Company (represented at the meeting by his son, Tim Parker III) and Mr. William Woodruff of the Kirby Corporation. MG Riley also recognized Chairman Emeritus Mr. William N. Whitlock of American Commercial Lines, who was also in attendance at the meeting.

MG Riley welcomed the Federal Observers who were in attendance at the meeting. In attendance were the Honorable John P. Woodley, Jr., Assistant Secretary of the Army for Civil Works (ASA(CW)), Mr. Robert Goodwin, Jr. of the Maritime Administration (MARAD), and Mr. Nick Marathon of the Department of Agriculture (USDA). Each of the Federal Observers offered brief introductory remarks. Mr. Goodwin thanked the Board for the opportunity to attend the meeting and the tour of Mississippi River Lock and Dam 21 and LaGrange Lock and Dam on the Illinois Waterway and gave an update on the recent reorganization of MARAD regional offices. Mr. Marathon thanked the Board for the opportunity to attend the meeting and the tour of the locks and dams and indicated that the U.S. Department of Agriculture recently completed a publication entitled "A Reliable Waterway System Is Important to Agriculture" available at <http://www.ams.usda.gov/tmd/TSB/WaterwaysFacts08-07.pdf>.

Secretary Woodley's remarks included a discussion of the proposed Water Resources Development Act (WRDA) that was forwarded from the Congress to the President. Secretary Woodley said that while the proposed WRDA contained many provisions that were very worthwhile for the Nation, it also contained many provisions that were bad from a public policy perspective. Secretary Woodley indicated that the President would return the bill to the Congress without his signature. Secretary Woodley said the current Continuing Resolution (CR) would continue until mid-November, and that there probably would be another CR after the current one expires. Secretary Woodley said that while it is difficult for agencies to operate under a Continuing Resolution, he commended the leaders and management of the Corps for their leadership of the organization while operating under a CR. He noted the CR has nothing to do with the Civil Works program.

Board Chairman Royce Wilken thanked Secretary Woodley for his continued interest in the activities of the Board (the Secretary remarked that during his tenure he has missed only one Inland Waterways Users Board meeting). Board Chairman Wilken noted that the Board supports the Water Resources Development Act and believes the President should sign the bill into law. Chairman Wilken indicated that the declining level of funds in the Inland Waterways Trust Fund requires that all parties "think outside the box" so as to identify options and to increase the collaboration between the Government and stakeholders.

Chairman Wilken then asked for a motion to approve the minutes from Inland Waterways Users Board Meeting No. 55, held on July 31, 2007 in Louisville, Kentucky. Board member Rick Calhoun made the motion to approve the minutes, which was seconded by Board member Jeff Brehmer. The minutes were then approved unanimously.

Mr. David V. Grier of the Institute for Water Resources (IWR) presented a report on the status and an analysis of the Inland Waterways Trust Fund (IWTF). In terms of the status report, the IWTF ended Fiscal Year (October 1 – September 30) 2007 at \$209.4 million, a decline of 21.8% from the end of year balance for Fiscal Year 2006. Through the end of September 2007 IWTF revenues totaled \$91.1 million, an increase of \$10.3 million (12.7%) from the same period of 2006. Interest earned on assets in the trust fund totaled \$10.4 million for Fiscal Year 2007, an increase of \$1.0 million over the Fiscal Year 2006 total. Total receipts (revenues plus interest earned) were \$101.5 for the entire fiscal year. Transfers to the Corps during Fiscal Year 2007 were \$159.8 million, compared to \$175.1 million during Fiscal Year 2006. The balance of the IWTF declined 21.8% to \$209.4 million at the end of September 2007. Outstanding transfer authority (funds available for transfer) stood at \$71.7 million, leaving an unobligated balance in the IWTF of \$137.7 million. Preliminary waterborne commerce indicators suggest a decline in total waterborne commerce tonnage of 2.2% during fiscal year 2007. Petroleum waterborne commerce tonnage measures a 10.6% increase, farm products movements indicate no change, and coal movements point to a 5% decline.

Board member Matt Woodruff asked about the increase of \$10 million in revenue between Fiscal Years 2006 and 2007 (\$91.1 million in Fiscal Year 2007 versus \$80.8 million in Fiscal Year 2006). Mr. Grier indicated that the Internal Revenue Service (IRS)

is reviewing Inland Waterways Trust Fund collections and will report back to the Corps through the Headquarters staff. Mr. Grier noted an IRS representative spoke at the previous Users Board meeting and indicated that the disruption from Hurricane Katrina affected IWTF revenues, and due to the quarterly lag the decline was reflected in figures for 2006.

The analysis of the Inland Waterways Trust Fund was unchanged from the one presented to the Board at its July 2007 meeting. A new trust fund analysis will be prepared for the Spring 2008 Board meeting, at which time the President's Fiscal Year 2009 budget information will be available, as well as Fiscal Year 2008 appropriations data. At present, under the scenarios presented in the current analysis, the IWTF is expected to be depleted during Fiscal Year 2009.

Chairman Emeritus Whitlock asked MG Riley if, as part of the of the examination of the future demands on the Inland Waterways Trust Fund, the Corps had a complete and full assessment of the demands on the inland waterways infrastructure. MG Riley replied that he was confident in the Corps ability to capture the entirety of the universe of infrastructure projects. However there is less certainty as to the prioritization of the projects requiring attention.

Ms. Mary Anne Schmid from the Corps Headquarters, Programs Integration Division, presented the most recent financial data on Inland Waterways Trust Fund projects and studies. The data was unchanged from the report given at the July meeting. The Corps is still waiting for a Fiscal Year 2008 appropriations bill to be passed. The 2008 budget request would provide \$419 million for projects cost-shared from the IWTF. The House version would provide \$431 million, while the Senate version would provide \$402 million. The Fiscal Year 2009 budget has been provided to the Office of Management and Budget (OMB), and it is expected that it will be returned to the Corps ("passback") around Thanksgiving.

Mr. Larry Bibelhauser of the Corps Louisville District gave a presentation on the underlying causes for the increase in construction costs associated with the Olmsted Locks and Dam Project, currently underway on the Ohio River. The cost of the construction of the dam is the major source of increase in costs. A number of factors contribute to the escalation in costs including increases in the costs of materials, labor, and supplies. Mr. Biblehauser will provide information on inflation factors used to adjust the authorized cost of Olmsted to Mr. Pointon, who will in turn provide the information to the members of the Board. Olmsted will need to be reauthorized since the new cost increase exceeds the inflation-adjusted authorized cost by more than the amount allowed under Section 902 of WRDA 1986.

Ms. Jeanine Hoey of the Corps Pittsburgh District provided an update on the status of the Lower Monongahela Locks and Dams 2, 3, and 4 Project. Some of the key items underway at present are the relocations in Pool 2 and completing the lock at Charleroi (Lock 4). Once the relocations are completed and the lock at Charleroi is completed,

then Lock and Dam 3 can be removed. The current project schedule indicates that Lock and Dam 3 can be removed in 2013, and the entire project can be completed in 2016.

Ms. Hoey also gave a briefing on the status of the Upper Ohio River Navigation Study, which includes three locks and dams: Emsworth, Dashields, and Montgomery. Key milestones in the study schedule include an Alternative Formulation Briefing in April 2009, presentation of the report before the Civil Works Review Board in June 2010, and the completion of a Chief's Report in September 2010.

Mr. Kidby from the Corps Headquarters, Operations Division, presented a briefing on the status of Navigation Safety Efforts conducted by the Corps in conjunction with other federal agencies including the U.S. Coast Guard and the National Oceanic and Atmospheric Administration (NOAA). Among the ongoing efforts the Corps is engaged in are the following:

- The development of a Real Time Current Velocity System;
- The development of a Lock Distance Measurement System;
- A review of navigation allisions during the period from January 2002 to May 2007;
- Glare elimination reduction at Corps locks and dams; and
- The development of Coastal and River Information Services (CRIS), which would include real time reporting of operational conditions and waterborne commerce data.

Chairman Wilken appreciates the efforts the Corps and other federal agencies are making to improve navigational safety and pointed out that the Waterways Council, Inc. (WCI) has a technical working group for safety issues.

MG Riley was very appreciative of the efforts of Mr. Kidby and wants to make sure that navigation safety issues are placed on the agenda of the next meeting of the Committee on the Marine Transportation System.

Mr. Mike Rogers of the Corps Mississippi Valley Division provided an update on the status of the Mississippi River Gulf Outlet (MRGO) Deauthorization Study and the Inner Harbor Navigational Canal Lock Project. The MRGO Deauthorization Study was reviewed by the Civil Works Review Board in October 2007; state and agency reviews lasting 30 days is to occur in the very near future, and the Chief's Report is expected to be completed by December 2007. The main activity associated with the Inner Harbor Navigation Canal Lock Project is the completion of the Supplemental Environmental Impact Statement by December 2008.

Mr. Rogers also reported on the removal of a crane from the Gulf Intracoastal Waterway – Port Allen Alternate Route.

Mr. Scott Whitney of the Corps Rock Island District briefed the Board on the Upper Mississippi River System Navigation and Ecosystem Sustainability Program (NESP). Among the navigation efficiency projects are small scale improvements such as mooring

cells and the use of switchboats; large scale improvements include the construction of new 1,200' locks at select locations; and lastly, the use of traffic management techniques.

The cost of the navigation improvements is estimated to be \$2.21 billion, cost shared 50/50 with the Inland Waterways Trust Fund. Of the \$2.21 billion, the cost of the new locks is \$1.95 billion (as of October 1, 2007). All of the locks on the Mississippi would be on the riverward side of existing locks. The President's Fiscal Year 2008 budget did not include any funds for NESP. The House of Representatives added \$2.2 million to the Corps' Fiscal Year 2008 budget to support NESP, while the Senate added \$12 million. The ecosystem restoration component of NESP would not be cost shared with the Inland Waterways Trust Fund.

Mr. Leon Mucha of the Corps St. Paul District briefed the Board on the Mississippi Valley Division Prioritization of Maintenance Needs.

There were no public comments made at the Board meeting.

Just prior to adjournment of the meeting, a few meeting participants said that they had received electronic messages to the effect that the President had vetoed the Water Resources Development Act and returned it to the Congress without his signature.

With that Chairman Wilken adjourned the meeting at 11:45 A.M.