

Summary Minutes
Inland Waterways Users Board Meeting No. 65
April 1, 2011
New Orleans, Louisiana

Inland Waterways Users Board Meeting No. 65 was called to order by Mr. Mark Pointon, the Designated Federal Official (DFO) and Executive Secretary of the Inland Waterways Users Board (the Board) at 9:05 A.M. The meeting was attended by approximately 55 participants. Mr. Pointon made introductory remarks, and then Major General (MG) Michael J. Walsh, Commander of the U.S. Army Corps of Engineers Mississippi Valley Division offered welcoming remarks. MG Walsh welcomed the Board members, the Federal observers to the Board, and other participants at the meeting to the Mississippi Valley, the world's third largest watershed. MG Walsh noted that the United States is a maritime nation as reflected in fact that 90 percent of our international trade (by weight) is conveyed by water. The United States relies on coastal ports and harbors, as well as Inland Waterway System, which connects the interior regions of the country to the coastal portions of the country. In fact, MG Walsh noted that not only does the nation benefit from a Pacific Coast and an Atlantic Coast, but benefits from a "Center Coast", that portion of the nation geographically located along the Inland Waterway System. MG Walsh noted that as of 2006, 47 percent of the locks owned and operated by the Corps of Engineers were classified as functionally obsolete. By 2012, that figure will grow to 80 percent. In concluding, MG Walsh noted that by any reasonable indicator, the nation will address its deteriorating infrastructure on the Inland Waterway System or face consequences in a growing global trade environment and that the cost of delay is unthinkable. Without an increase in investment for critical infrastructure rehabilitation, modernization, and dredging, crippling failure in terms of a loss of economic competitiveness and trade is going to be unavoidable.

Mr. Pointon then called on Major General (MG) William T. Grisoli, Deputy Commanding General for Civil Works and Emergency Operations at the Corps and Executive Director of the Board to make his opening remarks. MG Grisoli began his remarks by welcoming the Board members and the representatives of the various federal agencies who were in attendance at the Board meeting, Captain John E. Lowell, Director of the Office of Coast Survey at the National Oceanic and Atmospheric Administration (NOAA); Mr. James Murphy of the U.S. Department of Transportation (USDOT), Maritime Administration (MARAD); and Mr. Terrence C. "Rock" Salt, Office of the Assistant Secretary of the Army (Civil Works). (Note: There was no representative of the U.S. Department of Agriculture in attendance at the meeting.)

Building upon MG Walsh's welcoming remarks, MG Grisoli noted that as the Corps examines the issues associated with modernizing and recapitalizing the Inland Waterway System, it is also important for the Corps to examine how it manages those projects and how the Corps prioritizes its work efforts. MG Grisoli pointed out the significance of convening this Inland Waterways Users Board meeting in New Orleans, where the Corps has made incredible strides to rebuilding the New Orleans Hurricane and Storm Damage Risk Reduction System in a very compressed construction period by focusing on

prioritizing work efforts; by bringing to bear all of the resources of the Corps of Engineers from across the entire organization; by streamlining work processes; by implementing innovative acquisition techniques; and by receiving support from the Administration, the Congress, and the local non-Federal project sponsors.

With respect to the Inland Marine Transportation System (IMTS) Capital Development Plan, MG Grisoli indicated that the Corps continues to work with the Administration, the Congress, and the industry to craft solutions to the many issues facing the Inland Waterway System. MG Grisoli then invited each of the Federal observers to offer welcoming remarks.

Captain Lowell indicated that as the 2011 hurricane season is set to begin on June 1st, NOAA is working very closely with the Corps, the Coast Guard, the Gulf Intracoastal Canal Association (GICA) and other groups to prepare for and develop response plans in the event of a hurricane related event, and to work towards getting ports opened quickly and efficiently. Captain Lowell indicated that the previous day he had met with Rear Admiral Jonathan White, Commander of the Naval Meteorological and Oceanographic Command (CNMOC) at Stennis Space Center in Mississippi to discuss the availability of CNMOC's resources to assist in responding to weather events should their services be needed. Lastly, Captain Lowell mentioned that NOAA had just completed the installation of two sentinel sites off Galveston that were funded through the Corps and the Texas A&M University system. These water level systems and sensors will provide a continuous stream of real time data, and will allow users, forecasters and modelers to do a better job and to provide better information to decision makers.

Mr. Murphy of MARAD began his remarks by noting the passing of Mr. Robert Goodwin, MARAD's St. Louis Gateway Office representative and frequent MARAD representative to Board meetings. Mr. Goodwin's passing this past December was quite sudden and unexpected. With respect to ongoing MARAD activities, the America's Marine Highway Initiative is moving forward. MARAD is working with the Missouri Department of Transportation to conduct a study of the development of a container-on-barge operation on the Mississippi River and tributaries. MARAD is also looking to issue a grant to conduct a similar type of study on the Tennessee-Tombigbee Waterway.

Mr. Salt indicated his appreciation for the opportunity to attend today's meeting of the Board and the opportunity to engage in discussions with the members of the Board. Mr. Salt indicated that all parties understand the difficulties confronting the Inland Waterway System and the importance of trying to find a solution to address the maritime transportation needs of the nation.

Mr. Stephen D. Little, the Board Chairman, began his remarks by thanking the Mississippi Valley Division for their warm hospitality during the previous day's tour of the various components of the New Orleans area Hurricane and Storm Damage Risk Reduction, including the West Closure Complex and the IHNC Lake Borgne Surge Barrier. Mr. Little thanked the leaders of this effort including Colonel Fleming, LTC Jernigan, and Colonel Sinkler and their professional staffs for a very educational and instructive day.

In Mr. Little's words, "There were lessons that were learned and are being learned on these projects and that have great application to the navigation program and what we are trying to address here."

Mr. Little then echoed the remarks of Mr. Murphy from MARAD on the passing of Mr. Robert Goodwin. Mr. Little described Mr. Goodwin as a real gentleman and a tireless, dedicated advocate of the waterway system and their importance to the country, and expressed the Board's sorrow at his passing and recognized his contributions to the inland waterway industry and to the Nation.

Mr. Little noted that the current Board has been a very active Board during the time of its existence. The Board has identified areas that it felt needed to be addressed and by working arm-in-arm with the Corps professional staff tackled these issues and made great progress in trying to address these issues.

Lastly, Mr. Little noted a remark that Colonel Sinkler provided in his briefing on the Hurricane and Storm Damage Risk Reduction System from the previous day, that being that Task Force Hope always kept focus on three key issues: Quality, Schedule, and Cost. By remaining focused on those three issues the people responsible for carrying out the incredible work in the New Orleans area were able to achieve remarkable results.

Mr. Little then asked for a motion to approve the minutes from Board Meeting No. 64, held in Bettendorf, Iowa on October 20, 2010.

Mr. Matt Woodruff entered a motion to approve the minutes, Mr. John Pigott seconded the motion, and the Board approved the minutes of Board Meeting No. 64 unanimously.

Mr. Little then called on Ms. Mary Anne Schmid from the Corps Programs Integration Division at Corps Headquarters, to provide an update on waterborne commerce statistics, the status of the Inland Waterways Trust Fund (IWTF), and an update of the inland waterway projects.

With respect to waterborne commerce, according to the Waterborne Commerce Statistics Center traffic trends in calendar year 2010 showed significant recovery from 2009 levels. Total tonnage is estimated to have increased by 8.6 percent in 2010 when compared to 2009 levels. Coal was particularly strong having increased by 12 percent, along with petroleum and chemicals which increased by 11 percent. All other commodities were increased by an estimated 5 percent except for farm products which declined by just under 2 percent.

With respect to Inland Waterways Trust Fund receipts, total revenues during the period from October 2010 through March 2011 total \$37.9 million, an increase of \$5.9 million versus the same period during the previous year.

Ms. Schmid then discussed the status of the inland waterway projects including Chickamauga Lock and Dam on the Tennessee River, Kentucky Lock and Dam on the

Tennessee River, Locks and Dams 2, 3 and 4 on the Monongahela River, Olmsted Locks and Dam on the Ohio River, the Inner Harbor Navigation Canal Lock Replacement in New Orleans, Emsworth Locks and Dam on the Ohio River, and Markland Locks and Dam on the Ohio River.

Ms. Schmid's presentation as well as the other presentations made at the meeting are available online at the Inland Waterways Users Board website:
http://www.waterwaysusers.us/presentations_meeting_65.htm.

Following Ms. Schmid's presentation, Mr. Larry Bibelhauser (Louisville District), Project Manager of the Olmsted Locks and Dam project provided the Board with an update on the status of the Olmsted project. During the 2010 construction season, the contractor was able to place five tainter gate shells in the river. High water conditions in the river prevented the placement of the sixth shell. The objective during the 2011 construction season is to place seven shells in the river (the one remaining shell from last year's construction season plus six shells that were scheduled to be placed during this construction season). In 2012, the six remaining shells are scheduled to be placed in the river. That will complete the tainter gate portion of the dam. The placement of the tainter gate shells is on the critical path of the project.

Following Mr. Bibelbauser presentation, Mr. Gary Loew, Chief of the Programs Integration Division at Corps Headquarters provided the Board an update on the status of the Corps Fiscal Year 2011 appropriations, as well as an update on activities associated with the Fiscal Year 2012 budget request and Fiscal Year (FY) 2013 budget development. Mr. Loew also spoke on possible Congressional activity with regards to a water resources development act (WRDA).

With respect to the FY 2011 appropriations, the Corps is operating under a continuing resolution until April 8th. Mr. Loew indicated that the Congress is trying to come up with a plan to fund the government through the end of the current fiscal year which ends on September 30th.

With respect to the FY 2012 budget request which the President submitted to Congress in February of this year, the Corps has testified before three Congressional hearings to date, the House Transportation and Infrastructure Committee, Subcommittee on Water Resources and Environment; the House Appropriations Committee, Subcommittee on Energy and Water Appropriations; and the Senate Environment and Public Works Committee, Subcommittee on Transportation and Infrastructure. The fourth hearing at which the Corps will testify will be on April 13th before the Senate Committee on Appropriations, Subcommittee on Energy and Water Development.

Mr. Loew indicated that among the points of discussion common to all three hearings were the use of Harbor Maintenance Trust Fund receipts, the Corps plans with respect to the Inland Waterways Trust Fund, and the Corps hydropower program. Another common refrain voiced at all three hearings was that there will probably not be any additional

funds available above the President's budget request for either FY 2011 or FY 2012, as the Congress wrestles with the issue of the national deficit.

Mr. Loew indicated that Corps Headquarters completed the development of the FY 2013 budget development guidance.

Lastly, Mr. Loew indicated that with respect to the development of a water resources development bill, the Senate Environment and Public Works committee is ramping up its efforts to craft a WRDA. The Corps welcomes this effort to craft a WRDA in that it will be the vehicle by which new projects are authorized, existing projects become reauthorized, new policies can be put in place, and projects no longer needed can be deauthorized.

In concluding, Mr. Loew indicated that this would be his last time before the Board and that he enjoyed the opportunity to work with the Board members to address serious problems and thanked the Board members for their efforts to make the Nation a better place.

After Mr. Loew's remarks, Mr. James Walker, head of the Navigation Branch within the Operations Division at Corps Headquarters presented a status report on the Corps efforts to implement those recommendations pertaining to the Corps internal work processes contained in the IMTS Capital Projects Business Model report. Among the issues presented by Mr. Walker were the revisiting the use of the Continuing Contract Clause by the Corps; follow on work by Dr. Larry Bray as to the quantification of benefits received by others due to the presence of the Inland Waterway System, for example, water supply users, property owners, and recreational users of the inland waterways; and the development of standardized designs for lock components.

Mr. Walker also provided an update on the results of the Operational Condition Assessments (OCAs) of components at 192 navigational locks performed by the Corps in 2010. Mr. Walker was able to report that 94 percent of the components examined were in either an "A" or "B" rating, which is considered a good rating. However, that means that 6 percent of components were rating "C", "D" or "F".

Mr. Michael Park, Chief of Task Force Hope provided the Board with an overview of the New Orleans Hurricane and Storm Damage Risk Reduction System. Mr. Park discussed the challenges associated with designing the system including nationally significant waterways such as the Gulf Intracoastal Waterway and the Inner Harbor Navigation Canal transect the system, the fact that much of the area is below sea level, and that closing outfall canals would necessitate the provision of pumping stations designed to convey rainfall beyond the perimeter defenses of the system.

By the June 1, 2011 deadline for the provision of protection against a 100 year event, the Corps will have provided 97 percent completion of the perimeter defense.

The Corps was successful in achieving this task through many enablers including Congressional appropriation of full funding of the program, Administration commitment and priority to deliver the system by June 1st deadline, the development of new State and local organizational arrangements that would represent the State and serve as the non-Federal sponsor of the project, the realization that no one district within the Corps could carry out this mission and thus all of the regional and national resources of the Corps were brought to bear in the development of this project, and an expedited National Environmental Policy Act (NEPA) process.

In addition, the Corps used innovative acquisition techniques including Early Contractor Involvement and design-build and utilized new technologies such as deep soil mixing, sand blankets and wick drains to overcome the physical challenges associated with working in an area of weak soils.

A Board member raised a question as to who would have responsibility for operating the closure structures on the Gulf Intracoastal Waterway (the West Closure Complex) and the Inner Harbor Navigation Canal at the Lake Borgne Surge Barrier to the east of the city. The Board member indicated that both of these closure structures are located on federally maintained fuel taxed waterways.

Mr. Park responded by indicating that since the closure structures are part of a hurricane and storm damage reduction system, the operation of the closure structures would reside with the local authorities per current regulation/policy.

In response to Mr. Park's response, Mr. Matt Woodruff made the following motion:

“That the Inland Waterways Users Board recommend to Congress and the Administration that the operations and maintenance of sector gates, West and East of New Orleans that are being built as part of the flood control projects, be done by the Corps of Engineers and that the Corps of Engineers receive adequate funding to provide the operation and maintenance of those sector gates.”

Mr. Woodruff's motion was seconded by Mr. Daily. The Board then unanimously approved Mr. Woodruff's motion.

During the public comment period, Mr. Cornel Martin, President of the Waterways Council, Inc. (WCI), provided remarks in support of the IMTS Capital Projects Business Model report and provided the Board members with an update on efforts to inform Congressional interests and the general public as to the recommendations contained in the report. Mr. Martin indicated that WCI has held more than 150 meetings with members of Congress or their staffs; representatives of WCI have testified before Congress; held a media briefing at the National Press Club; and editorials and articles have appeared in national and local newspapers and trade publications in support of the recommendations contained in the IMTS Capital Projects Business Model report.

At the conclusion of the meeting, MG Grisoli recognized the contributions and dedication of the five members of the Board who will be departing the Board:

Chairman - Mr. Stephen D. Little;
Vice Chairman, Mr. Daniel T. Martin;
Board Member – Mr. Richard C. “Rick” Calhoun;
Board Member – Mr. Timothy M. Parker; and
Board Member – Mr. William M. Woodruff.

MG Grisoli thanked each of the departing Board members and presented each with a signed 3-Star letter of appreciation from the Chief of Engineers, Lieutenant General Robert Van Antwerp.

In concluding his remarks, MG Grisoli charged the members of the Board who will remain on the Board and the new members to be appointed to the Board, to continue on the path of working together to address the difficult issues facing the Inland Waterway System, and to ensure continuity of the efforts to address those issues.

Chairman Little adjourned the meeting at approximately 12:45 P.M.