

**Summary Minutes**  
**Inland Waterways Users Board Meeting No. 73**  
**November 18, 2014**  
**Conference Center at the Maritime Institute, North Academic Bldg #3 (Classroom #2)**  
**Baltimore (Linthicum), Maryland**

Inland Waterways Users Board Meeting No. 73 was called to order by Ms. Mindy M. Simmons, the Designated Federal Officer (DFO) of the Inland Waterways Users Board (the Board) at 9:05 a.m. The meeting was attended by approximately 50 participants, including Board Chairman Martin T. Hettel, Vice Chairman Matthew Woodruff, and Board members Messrs. Charles Haun, Jr., Mark Knoy, Robert McCoy, Daniel Mecklenborg, Bruce Reed and Michael Somales. Board members Messrs. David Choate and G. Scott Leininger did not attend the meeting, but Mr. Lance Rase participated as a substitute for Mr. Leininger. Mr. Choate did not send a substitute to the meeting.

Ms. Simmons provided opening remarks, and Colonel J. Richard (Trey) Jordan III, Baltimore District Commander, provided welcoming remarks on behalf of the district.

Following Colonel Jordan's remarks, Major General (MG) John W Peabody, Deputy Commanding General for Civil and Emergency Operations for the Corps and the Executive Director of the Board, provided introductory remarks.

MG Peabody began his remarks by thanking the North Atlantic Division and the Baltimore District for hosting the Board meeting. MG Peabody indicated that the Corps has begun steps to implement provisions of the Water Resources Reform and Development Act of 2014 (WRRDA 2014) (Public Law 113-121, dated June 10, 2014). MG Peabody indicated that the Corps of Engineers held a series of four listening sessions in August and September to receive public input on certain sections of the law. The Corps is also in the process of developing implementation guidance for the various sections of the law. Information on the listening sessions and the implementation guidance developed to date can be found on the Corps of Engineers homepage:  
<http://www.usace.army.mil/Missions/CivilWorks/ProjectPlanning/LegislativeLinks/wrrda2014.a.spx>.

MG Peabody noted of particular interest to the Board members and the inland navigation community is the change in the cost sharing provisions as they apply to the Olmsted Locks and Dam project. Section 2006(a)(2) of WRRDA 2014 dictates that the cost sharing formula as applied to the Olmsted project will be 85 percent derived from the General Treasury and 15 percent derived from the Inland Waterways Trust Fund (IWTF).

With respect to the Corps Fiscal Year (FY) 2015 appropriations, MG Peabody indicated that the Corps is operating under a Continuing Resolution (Public Law 113-164, dated September 19, 2014) until December 11, 2014. MG Peabody indicated that the House of Representatives passed their version of a FY 2015 Energy and Water Development Appropriations bill (HR 4923) that increased the Corps appropriations by approximately \$1 billion over the FY 2015 President's Budget request, and that the Senate's draft Energy and Water Appropriations was

approximately \$600 million more than the President's Budget request. MG Peabody indicated that these proposed increases in the Corps FY 2015 Energy and Water Development Appropriations were clear recognition by the Congress of the very important work that the Corps does in support of the Nation.

At the conclusion of his remarks, MG Peabody invited Board Chairman Mr. Martin T. Hettel to provide his introductory remarks. Chairman Hettel began his remarks by describing the goals set forth by the Board at their first meeting of 2014 (Meeting No. 70) on January 14, 2014, in New Orleans, Louisiana. The first goal was to schedule meetings with appropriate lead time to have the full complement of Board members, Corps personnel, and Federal Observers present, which, aside from some personal issues, he thought was accomplished. The second was to schedule meetings in locations that emphasize the inland waterways as a system. Meeting No. 71 was held on May 1, 2014, in North Little Rock, Arkansas; and Meeting No. 72 on August 14, 2014, in Walla Walla, Washington. Mr. Hettel indicated this goal was met and that the Board would like to hold four meetings in calendar year 2015, in February, May, August, and November. Chairman Hettel indicated that he would like to hold the February 2015 meeting in Vicksburg, Mississippi. He stated that the third goal of appointing Board members to the top four projects in the Capital Development Plan had been met. He indicated that aside from one item excluded from Meeting No. 71, the fourth goal of collaborative information exchange was also met, and there have been productive exchanges with timeline information. He also indicated that the current membership of the Board expires on May 28, 2015, and encouraged the Corps to ensure that the process to reappoint members to the Board after May 28<sup>th</sup> is in place so as to avoid a disruption in the activities of the Board, which was the fifth goal. The sixth goal of appointing the 11<sup>th</sup> member has not been accomplished, but it is expected to happen concurrently with the reappointments. Chairman Hettel also indicated that the Board will be preparing its annual report to Congress by the end of the year, which will serve as advice and recommendations prior to the release of the FY 2016 President's Budget, as prescribed in WRRDA 2014.

After Chairman Hettel concluded his remarks MG Peabody then introduced the representatives from the various Federal agencies that serve as observers of the Board and invited each to make brief remarks.

Mr. Michael J. Rodriguez, Deputy Maritime Administrator of the Maritime Administration (an agency of the U.S. Department of Transportation) offered his thanks for the opportunity to attend this meeting of the Users Board and looked forward to the discussion of issues impacting the inland waterways system, its important role in the movement of commodities and its contributions to the nation's economy. He also extended greetings from Maritime Administrator Paul Jaenichen.

Mr. Nicholas Marathon of the U.S. Department of Agriculture (USDA), Agricultural Marketing Service, thanked the Board for the opportunity to attend and observe the meeting of the Board and extended the greetings of Mr. Arthur L. Neal, Deputy Administrator of the Agricultural Marketing Service's Transportation and Marketing Program. Mr. Marathon indicated that for the marketing year just ended, the USDA is projecting a record harvest in both corn and soybeans, and that USDA is projecting a record level of soybean exports for the current marketing year, which could translate into a very good year for barge movements of grain products. Mr.

Marathon indicated that since the beginning of the harvest season on October 1<sup>st</sup> nearly 65 percent of the grain moved on the portion of the inland waterways system which has locks on it has been soybeans. Mr. Marathon indicated that the USDA is conducting a study of the sufficiency of the inland waterways infrastructure as it impacts the movement of agricultural products. The study was mandated by the Agricultural Act of 2014 (Section 6206 entitled “Study of Rural Transportation Issues” of Public Law 113-79, signed February 7, 2014). Finally Mr. Marathon indicated that the USDA is examining the availability of rail service to grain shippers as rail service has been impacted by the increased movement of crude oil.

Mr. Russ Proctor, Chief of the Navigation Services Division of the Office of Coast Survey at the National Oceanic and Atmospheric Administration (NOAA) thanked the Board for the opportunity to observe the meeting and discussions and extended the greetings of Rear Admiral Gerd F. Glang, Director of the Office of Coast Survey, and indicated that the Office of Coast Survey and NOAA have a close working relationship with the Corps of Engineers on many issues including the development of electronic navigation charts, the development of a hydro-climate dashboard, and participating on the Committee on Marine Transportation System (CMTS).

Ms. Marie Therese Dominguez, Principal Deputy Assistant Secretary of the Army for Civil Works, said it was a privilege to attend the Board meeting, and given the vital role that the inland waterways system plays in the nation’s transportation system and its contributions to the national economy and national security, was very interested in hearing about the progress on the development of the Inland Marine Transportation System (IMTS) long term investment strategy. Ms. Dominguez indicated that the Assistant Secretary’s office is very dedicated to the reappointment process of the Board members to ensure the continuity of the Board’s activities.

Ms. Simmons next called for a motion to approve the minutes of Board Meeting No. 72, held on August 14, 2014, in Walla Walla, Washington. Board Vice Chairman Matt Woodruff made a motion to approve the minutes of Meeting No. 72 and Board member Mark Knoy seconded the motion. The Board members then voted unanimously to approve the minutes of Meeting No. 72.

Following the approval of the minutes from Meeting No. 72, there was follow up discussion to issues concerning the Bayou Sorrel Lock project in Louisiana which was the subject of a motion by the Board passed at Meeting No. 72 to have the New Orleans District provide further information on the economic justification of the project. Mr. Brad Inman of the New Orleans District provided additional information to the Board for Bayou Sorrel and the basis of the economic justification (or lack thereof) of the Bayou Sorrel project. Mr. Inman indicated that they are investigating data quality issues on the Lock Performance Maintenance System (LPMS) when the main chamber is down and tows pass through the auxiliary lock as doubles at Bayou Sorrel and other projects. MG Peabody indicated that the Corps would report back on this topic at the next Board meeting.

Mr. Jeff McKee, Chief of the Navigation Branch in the Operations and Regulatory Division at USACE Headquarters then reviewed the list of navigation locks that are scheduled for closure to conduct maintenance and repairs activities during FFY 2015 and the out-years (FYs 2016 and 2017).

In response to a query from a Board member, Mr. McKee indicated that the scheduled maintenance and repair activities at the Bayou Sorrel Lock in the period from February to May 2015 would necessitate the dewatering of the lock and the full closure of the lock during the time of maintenance and repairs.

In response to another query from a Board member regarding the scheduled closure of the auxiliary lock chamber at Lock and Dam 27 on the Mississippi River from late November 2014 to late March 2015 to perform repairs to the miter gates and other features of the auxiliary chamber, Mr. Edward Belk of the Corps Mississippi Valley Division (MVD) indicated that the auxiliary chamber will be dewatered to perform the necessary maintenance and repairs.

MG Peabody indicated he would have the Corps regional Operations chiefs work together on the process, methodology, schedules and communications with the waterways industry for lock closures to develop best-practices.

Next, Mr. Joseph Aldridge of the Program Integration Division at USACE Headquarters provided an update on the status of the Inland Waterways Trust Fund (IWTF) and an update on the status of projects on the inland waterways system. Mr. Aldridge reported that the IWTF account maintained by the U.S. Treasury at the beginning of FY 2014 (October 1, 2013) was \$33.8 million. Adding \$6.9 million in Previously Transferred Authority funds held by the Corps results in an available beginning balance of \$40.77 million in the IWTF to start FY 2014.

For FY 2014, fuel tax receipts totaled \$81.73 million and interest earned to date during the fiscal year was \$24,000. During FY 2014, \$97.87 million was transferred to the Corps to cover FY 2014 activities. The ending balance in the IWTF for FY 2014 (September 30, 2014) was \$24.66 million.

Mr. Aldridge then provided an update on the status of inland waterways projects including the Lockport Pool major rehabilitation project on the Illinois Waterway; the Inner Harbor Navigation Canal (IHNC) Lock replacement project on the Gulf Intracoastal Waterway (GIWW) in New Orleans, Louisiana; the Locks and Dam 27 major rehabilitation project on the Mississippi River; the Emsworth Locks and Dam project on the Ohio River; the Kentucky Lock project on the Tennessee River; and the Chickamauga Lock and Dam project on the Tennessee River.

Of note regarding the Lockport Pool major rehabilitation project was the awarding of a \$31.9 million contract repair the forebay wall. The contract was awarded on September 11, 2014, and it is anticipated that the repair of the forebay wall will be completed in FY 2016. The project has been fully funded and it is not anticipated that the project will draw any more funds from the Inland Waterways Trust Fund.

With respect to the IHNC Lock replacement project, the New Orleans District continues its efforts to re-evaluate the project and develop a shallow draft alternative to the existing project. MG Peabody stated for the next meeting he wants to provide more clarity of the source of funding, the amount of funds expended and what was received for those expenditures re IHNC Lock.

Following Mr. Aldridge's presentation, Mr. David Dale, Programs Director of the Great Lakes and Ohio River Division (LRD), provided the Board an update on the status of two ongoing construction projects in LRD: Olmsted Locks and Dam project on the Ohio River and the Locks and Dams 2, 3, and 4 Lower Monongahela River project.

With respect to the Olmsted project, Mr. Dale indicated that construction is progressing quite well at the project site and indicated that all of the shells for the tainter gate portion of the dam are set in place and that work is progressing on the navigable pass portion of the dam. The first of five tainter gates has been delivered to the project site and installation is underway. With respect to the navigable pass portion of the dam, the project team has a goal of setting the first of 12 navigable pass shells by November 25<sup>th</sup>. Mr. Dale indicated that the navigable pass shells will have the wicket gates pre-mounted so that once the navigable pass shells are set, the wicket gates will be in place. He indicated that as the construction proceeds from the Illinois side to the Kentucky side of the river the depth of the river lessens, so that should make construction easier as more construction activity such as the placement of additional navigable pass shells and paving blocks occurs in the shallower part of the river. Mr. Dale indicated that as the current pace of construction, and with no unforeseen problems associated with bad weather, river or other environmental conditions, it is expected that the dam portion of the project will be operational by October 2018. The pace of construction will also be dependent upon the project receiving sufficient funding to keep on its current construction schedule. A reduction in funding to the project may negatively impact the pace of construction and may delay the delivery of project features.

Mr. Dale indicated that even after the completion of the navigable pass portion of the Olmsted project, currently scheduled to be completed in October 2018, there still remains work to remove the physical features at Ohio River Locks and Dams 52 and 53. Mr. Dale discussed the various options the Corps is considering concerning removal, including deferring the removal of the physical features. Removal of the physical features at Ohio River Locks and Dams 52 and 53, under the current plan, the cost of removal at L&D 52 would be approximately \$69 million and at L&D 53 approximately \$54 million. The Olmsted project team has examined alternatives to the complete removal of those locks and dams and identified alternatives where certain features remain which would reduce the cost of removal but would impact the width of the navigable channel. Mr. Dale indicated that these alternatives are very preliminary and that much more analysis of these alternatives will be required, including consulting with the navigation industry, before arriving at a final decision concerning the extent of removal of the features at Ohio River Locks and Dams 52 and 53.

After Mr. Dale completed his presentation on the Olmsted project, he provided an update on the Monongahela River Locks and Dams 2, 3, and 4 (Lower Mon) project. Mr. Dale indicated that at present it is anticipated that construction of the riverward lock chamber at Lock and Dam 4 (Charleroi, PA) will be completed in 2022. Completion of the riverward lock chamber will generate approximately 90% of the benefits associated with the project. The landward lock chamber at Charleroi will be deferred until sometime in the 2050 time period.

Mr. Dale then discussed the issues concerning raising the Port Perry Railroad Bridge which is located just upstream of Mon River Lock and Dam 2. The current vertical clearance of the

bridge is 42.5 feet. With the removal of Lock and Dam 3 at Elizabeth, PA (currently scheduled to occur by 2023), the pool between Lock and Dam 2 and Lock and Dam 3 will be raised by approximately five feet and the pool between Lock and Dam 3 and Lock and Dam 4 will be lowered by three feet, resulting in a vertical clearance of 40.6 feet at the Port Perry Bridge. The Corps is engaged in discussions with the U.S. Coast Guard regarding the requirement to raise the Port Perry Bridge. The cost to raise the bridge is somewhere between \$83 and \$112 million. The Corps is examining the vessel traffic that uses the Monongahela River and seeing if there are alternatives to raising the Port Perry Bridge.

Mr. Dale indicated that there were a small number of vessels that had heights exceeding the 42.5 foot vertical clearance limit established by the U.S. Coast Guard. The members of the Board agreed to work with the Corps to identify those vessels in question which exceeded 42.5 foot in height and see if there are options available to the industry, such as altering those features on board the vessels in question, such as antennas, search lights, masts, or other features that could be reconfigured so as to permit the vessel to travel under the Port Perry Bridge without requiring the raising of the bridge.

Regarding Chickamauga Lock, MG Peabody requested of Mr. Dale for the next meeting that if the project was fully funded, when would it be completed and what would the total fully funded amount be?

In response to a question from the Board, MG Peabody also offered to provide the status of the NESP authorized project (Navigation and Ecosystem Sustainability Program) for the Mississippi River – Illinois Waterway and when it might be subject to deauthorization at the next meeting.

After the discussion concerning the raising of Port Perry Bridge, Chairman Martin Hettel introduced a motion to include in the Board's Annual Report to Congress that the Board support the idea of the Corps to defer construction of the land chamber at Lock and Dam 4 and defer the raising of the Port Perry Bridge until sometime in the future. Board member Michael Somaes seconded Chairman Hettel's motion, after which the Board voted unanimously to support the motion.

Mr. Kareem El-Naggar, Inland Marine Transportation System (IMTS) program manager and co-leader of the Investment Program Action Team (IPAT) provided an update on the status of the team's efforts to update the Capital Projects Business Model (CPBM) report. Mr. El-Naggar indicated that the investment team is developing a long-term integrated life cycle investment strategy which incorporates operational condition assessments, operational risk assessments, probability of operational failure and consequence of failure, estimates of baseline recovery duration, and the economic consequence and impact on shippers and carriers.

Next, Mr. James Hannon, Chief of the Operations and Regulatory Division at Corps Headquarters, discussed total risk exposure for the inland waterways and the efforts to develop an infrastructure strategy using project life cycle, with respect to new investments and in the operation and maintenance activities of existing projects.

Next, Mr. Patrick Donovan, Chief of the Inland Navigation Planning Center of Expertise at the Huntington District of the Corps presented information on the historical level of commodity traffic moving on the inland waterways system and locks during the period from 1990 to 2012 and forecasts of the level of commodity traffic on the inland waterways system and through various locks on the system for the period 2013 to 2050.

Next, Ms. Simmons opened the public comment period for two speakers.

The first speaker was Ms. Jane Mergler who spoke on the need of the Corps of Engineers to focus its efforts on improving the efficiency and effectiveness of the existing Civil Works water resources projects by maintaining justified levels of service on strategic navigation structures in the face of increased fiscal pressures. Ms Mergler indicated that the Corps of Engineers should proactively and transparently assess the performance of its existing Civil Works projects so that prudent decisions can be made regarding future investments.

The second speaker was Ms. Susan Holmes who spoke on behalf of the Save Our Wild Salmon Coalition, a coalition of organizations, business and advocates committed to restoring healthy and harvestable populations of wild and steelhead salmon to the Columbia and Snake Rivers. She requested consideration of divestiture and removal of the four Lower Snake River dams.

After the conclusion of the public comment period of the meeting, MG Peabody noted in his closing remarks that today's meeting included very good discussion of many important issues regarding the current state of the inland waterways system and the Corps efforts to develop an approach towards future capital investments and operations and maintenance decisions. Major General Peabody stated that he looked forward to continuing this dialogue with the Board members and the navigation industry and that the Corps will continue to develop and refine its methodologies for future investments in the inland waterways system and that the Corps will do its best to provide information the Board so that the Board can execute its duties of providing advice to the Administration and Congress on investments and priorities concerning the Nation's inland waterways system.

In conclusion, Chairman Hettel on behalf of the Board acknowledged and thanked Mr. James Hannon for his years of service at the Corps and a happy retirement.

Ms. Simmons adjourned the meeting at 1:00 p.m.