

Minutes  
Inland Waterways Users Board  
Meeting No. 78  
April 1, 2016  
Hotel Monaco (Sophia Ballroom)  
620 William Penn Place  
Pittsburgh, PA 15219

[Note: The following minutes of the Inland Waterways Users Board meeting No. 78 were approved and adopted as final at Inland Waterways Users Board meeting No. 79 held on July 1, 2016 in Paducah, Kentucky.]

The following proceedings are of the Inland Waterways Users Board meeting held on the 1<sup>st</sup> day of April, commencing at 9:00 a.m. at the Hotel Monaco, Sophia Ballroom, 620 William Penn Place, Pittsburgh, PA, Mr. Martin T. Hettel, Chairman of the Inland Waterways Users Board presiding. Inland Waterways Users Board (Board) members present:

CHAIRMAN MARTIN T. HETTEL, American Commercial Barge Line, LLC.

MR. CHARLES A. HAUN, JR., Parker Towing Company, Inc.

MR. ROBERT J. INNIS, LafargeHolcim, Inc.

MR. JEFFERY A. KEIFER, American Electric Power (AEP), River Transportation Division

MR. G. SCOTT LEININGER, CGB Enterprises, Inc.

MR ROBERT R. McCOY, Amherst Madison, Inc.

MR. DANIEL P. MECKLENBORG, Ingram Barge Company

MR. BRUCE REED, Tidewater Barge Lines

MR. MICHAEL T. SOMALES, Murray American Transportation, Inc.

MR. WILLIAM M. WOODRUFF, Kirby Corporation

Board member MR. DAVID CHOATE, Bruce Oakley, Inc. did not attend the meeting.

Also present at the meeting were the following Federal observers, designated by their respective agencies as representatives:

MR. LOWRY A. CROOK, Principal Deputy Assistant Secretary of the Army for Civil Works, Washington, D.C.;

MR. GARY MAGNUSON, Senior Policy Advisor, National Oceanic and Atmospheric Administration (NOAA), U.S. Department of Commerce, Silver Spring, MD.;

MR. JOEL SZABAT, Executive Director, Maritime Administration (MARAD), U.S. Department of Transportation, Washington, D.C.

A representative of the U.S. Department of Agriculture did not attend the Users Board meeting.

Official representatives of the Federal government responsible for the conduct of the meeting and providing administrative support to the Inland Waterways Users Board from the U.S. Army Corps of Engineers (USACE) were as follows:

MAJOR GENERAL DONALD "ED" JACKSON, Executive Director, Inland Waterways Users Board and Deputy Commanding General for Civil and Emergency Operations (DCG-CEO), U.S. Army Corps of Engineers, Washington, D.C.;

MR. MARK R. POINTON, Executive Secretary and Designated Federal Officer, Inland Waterways Users Board, U.S. Army Corps of Engineers, Institute for Water Resources, Alexandria, VA.;

MR. KENNETH E. LICHTMAN, Executive Assistant and Alternate Designated Federal Officer, Inland Waterways Users Board, U.S. Army Corps of Engineers, Institute for Water Resources, Alexandria, VA.

Program speakers in scheduled order of appearance were as follows:

MAJOR GENERAL DONALD "ED" JACKSON, Executive Director, Inland Waterways Users Board and Deputy Commanding General for Civil and Emergency Operations (DCG-CEO), U.S. Army Corps of Engineers, Washington, D.C.;

COLONEL BERNARD R. LINDSTROM, Commander, Pittsburgh District, U.S. Army Corps of Engineers, Pittsburgh, Pennsylvania;

THE HONORABLE SENATOR ROBERT PATRICK "BOB" CASEY, Pennsylvania;

MR. MARTIN T. HETTEL, Chairman, Inland Waterways Users Board;

DR. MARK F. SUDOL, U.S. Army Corps of Engineers, Institute for Water Resources, Alexandria, Virginia;

MR. JEFFREY A. McKEE, Chief, Navigation Branch, Operations and Regulatory Division, Headquarters, U.S. Army Corps of Engineers, Washington, D.C.;

MR. JOSEPH W. ALDRIDGE, Inland Waterways Trust Fund Account Manager, Programs Integration Division, Headquarters, U.S. Army Corps of Engineers, Washington, D.C.;

MR. EDWARD E. BELK, Chief, Operations and Regulatory Division, Headquarters, U.S. Army Corps of Engineers, Washington, D.C.

MR. DAVID F. DALE, Director of Programs, Great Lakes and Ohio River Division, U.S. Army Corps of Engineers, Cincinnati, Ohio.

Other individuals who provided additional information in response to questions raised by Board members during the meeting included the following:

MR. STEPHEN R. FRITZ, Project Manager, Planning, Programs and Project Management Division, Pittsburgh District, U.S. Army Corps of Engineers, Pittsburgh, Pennsylvania.

There was one speaker who spoke during the public comment portion of the meeting:

MS. LYNN M. MUENCH, Senior Vice President – Regional Advocacy, American Waterways Operators, St. Louis, Missouri.

### PROCEEDINGS

MR. MARK R. POINTON: Welcome, everyone. I would like to welcome you to the 78th Meeting of the Inland Waterways Users Board here in Pittsburgh, Pennsylvania. We have been here before. It has been approximately four years since the last time we were here in Pittsburgh. We had a similar tour like we did yesterday when we were here the last time, and it was actually the Charleroi Locks and Dam [located at River Mile 41.5 of the Monongahela River] and Braddock Locks and Dams [located at River Mile 11.2 of the Monongahela River] that we saw the last time. There has been a lot of progress done since the last time we were here on those particular projects on the Monongahela River.

It was a fabulous tour [to Charleroi Locks and Dam and Montgomery Locks and Dam located at River Mile 31.7 of the Ohio River] yesterday so I appreciate that. I appreciate the Pittsburgh District staff. They did a fabulous job. I don't know how they controlled the weather because it was supposed to rain, but we really pretty much missed that, or maybe Mike Somales was in charge of that. I'm not sure.

I would also like to thank our sponsors from last night and our refreshments from today. That would be the Port of Pittsburgh Commission and also the Waterways Association of Pittsburgh. Thank you very much.

My name is Mark Pointon, and I am the current Designated Federal Officer [DFO] and the Executive Secretary of the Inland Waterways Users Board. Before we start the meeting, I

am obligated to read for the record that the Inland Waterways Users Board was created pursuant to Section 302 of the Water Resources Development Act of 1986. The Board provides the Secretary of the Army and the Congress with recommendations on funding levels and priorities for modernization of the inland waterways system. The Board is subject to the rules and regulations of the Federal Advisory Committee Act of 1972, as amended. This is a “Government in the Sunshine Act” meeting, and as such is open to the public, and I see that we have a big crowd here today and I appreciate the size of the audience and the level of interest in the activities of the Users Board.

The U.S. Army Corps of Engineers is the sponsor of the Board, and provides for the Executive Director, the Executive Secretary, the DFO and for all the normal activities of this Board.

We do have one individual that has indicated that they would like to make a public comment at the end of the meeting. At the appropriate time I will call on that particular individual.

There are also two statements for the record that were provided in advance of today’s meeting, one from the Pacific Northwest Waterways Association and the other from the Upper Mississippi River Basin Association. Those are available. There are a limited number of hard copies on the registration desk outside of the room.

Anyone else who wishes to make a public comment during the public comment period, please see me during the break, and let me know your name, and I will work you in if at all possible. We seem to have a lot of available time during the public comment period so that should not be an issue.

The proceedings are being recorded and a transcript will be available shortly after the meeting.

With that, I would like to call on Major General Ed Jackson, the Deputy Commanding General of the Corps for Civil and Emergency Operations and the Executive Director of the Board to give the oath of office to our newest member on the Users Board, Mr. Jeffery A. Keifer.

MAJOR GENERAL DONALD E. JACKSON: Jeff, will you join me up here, please? Please raise your right hand and repeat after me. I, state your full name.

MR. JEFFERY A. KEIFER: I, Jeffery A. Keifer.

MAJOR GENERAL JACKSON: Do solemnly swear.

MR. KEIFER: Do solemnly swear.

MAJOR GENERAL JACKSON: That I will support and defend.

MR. KEIFER: That I will support and defend.

MAJOR GENERAL JACKSON: The Constitution of the United States.

MR. KEIFER: The Constitution of the United States.

MAJOR GENERAL JACKSON: Against all enemies, foreign and domestic.

MR. KEIFER: Against all enemies, foreign and domestic.

MAJOR GENERAL JACKSON: That I will bear true faith.

MR. KEIFER: That I will bear true faith.

MAJOR GENERAL JACKSON: And allegiance to the same.

MR. KEIFER: And allegiance to the same.

MAJOR GENERAL JACKSON: And that I take this obligation freely.

MR. KEIFER: And that I take this obligation freely.

MAJOR GENERAL JACKSON: Without any mental reservation.

MR. KEIFER: Without any mental reservation.

MAJOR GENERAL JACKSON: Or purpose of evasion.

MR. KEIFER: Or purpose of evasion.

MAJOR GENERAL JACKSON: So help me God.

MR. KEIFER: So help me God.

MAJOR GENERAL JACKSON: Congratulations.

MR. KEIFER: Thank you.

(Applause)

CHAIRMAN MARTIN T. HETTEL: Welcome, Jeff.

MR. POINTON: Thank you, sir. I would also like to have General Jackson retain the floor, if he will, and I would like to call up Mr. Richard Lockwood for a presentation.

CAPTAIN BRIAN T. MOLLOY: Could I please have everybody please rise for an award citation.

Attention to orders. The Department of the Army has awarded the Meritorious Civilian Service Award to Mr. Richard C. Lockwood for his loyal and dedicated service while serving as the U.S. Army Corps of Engineers representative to the American Bureau of Shipping from January 2013 through January 2016.

Mr. Lockwood is recognized nationally as an authority on inland vessel design and construction, and he has served as a leader, consultant and advisor for the USACE navigation community. Mr. Lockwood's tireless leadership and dedication to federal service reflect great credit upon him, the U.S. Army Corps of Engineers and the Department of the Army.

Signed Thomas P. Bostick, Lieutenant General, U.S. Army Corps of Engineers Commanding.

MAJOR GENERAL JACKSON: Can we have a round of applause for an outstanding individual and leader.

(Applause)

MAJOR GENERAL JACKSON: We have been holding off for this awhile because we thought it would be appropriate to recognize Rich in front of this community for the specific acts that he has done, but more so than that, a long career of accomplishments and a long career of service. He is a guy that we call on across the Corps of Engineers anytime with problems.

He told me yesterday. He said, hey, sir, it's time to get some younger men in that game.

MR. RICHARD C. LOCKWOOD: Actually, I did say that.

MAJOR GENERAL JACKSON: He did say that. We, in the Corps, are blessed to have folks that have the technical competence and the compassion to care and the leadership that Rich provides us every single day across the Corps, not just here in the Pittsburgh District.

So Colonel Lindstrom and his team, boy, you guys are lucky to have a national asset and a national treasure in the Pittsburgh District, and we thank you for willingly sharing his expertise and his time and talents, and I will tell you what, we appreciate you also allowing us to take him from home from time to time to other parts of the country and tap into his vast experience and expertise, where we think we have been a beneficiary of his talents, and we thank you for supporting him and allowing him to do what he loves to do.

Colonel Lindstrom, do you have something else that you wanted add, or are you getting ready to make your opening remarks?

COLONEL BERNARD R. LINDSTROM: I love Rich Lockwood.

MR. LOCKWOOD: Thank you. None of these things are done by individuals, and actually this is 30 years' worth of work with the American Bureau of Shipping.

I wish some folks like Keith Lawrence [former Director of the USACE, Marine Design Center, located in Philadelphia, Pennsylvania] and Max Imhoff [Colonel Maximilian Imhoff, Commander and Director, USACE Water Resources Support Center, Ft. Belvoir, VA from 1979 to 1982] and Bill Murden [William R. Murden, Chief of the USACE Dredging Program from 1979 until his retirement in 1986], real leaders who actually encouraged those of us who have kind of headed down this road, they removed road blocks, and they made it easy, and it's all kind of team work stuff, and this really was something that I enjoyed doing.

I did it for 30 years. I kind of hung on to it a little too long because I enjoyed it so much, and my last task was actually to find my own successor. I really appreciate this and thank you.

(Applause)

MR. POINTON: That is a perfect segue to the Commander from the Pittsburgh District, Colonel Lindstrom. Please sir, the mic is yours.

COLONEL LINDSTROM: Thank you very much, and thank you very much everyone for coming to Pittsburgh and choosing this to be your location for the Inland Waterways Users Board meeting.

I would like to say good morning to some of the distinguished visitors in the room. First of all, the Honorable Senator Casey, Bob Casey, from Pennsylvania. Thank you for coming this morning. Good morning, sir.

Mr. Marty Hettel, Chairman of the Inland Waterways Users Board. Good morning, sir.

CHAIRMAN HETTEL: Good morning.

COLONEL LINDSTROM: Ms. Erin Burke, Budget Examiner, Office of Management and Budget. Good morning, ma'am.

Mr. Lowry Crook, Principal Deputy Assistant Secretary of the Army for Civil Works. Good morning, sir.

MR. LOWRY A. CROOK: Good morning.

COLONEL LINDSTROM: Major General Ed Jackson, Deputy Commanding General for Civil Works and Emergency Operations. Good morning, sir.

Mr. Steve Stockton, U.S. Army Corps of Engineers, Director of Civil Works. Good morning, sir.

Mr. Eddie Belk, Chief Operations and Regulatory Division, U.S. Army Corps of Engineers, Headquarters. Good morning, sir.

And Mr. Joel Szabat, Executive Director, Maritime Administration. Good morning, sir.

MR. JOEL SZABAT: Good morning.

COLONEL LINDSTROM: And congratulations to everyone for choosing Pittsburgh as your location for holding this Inland Waterways Users Board meeting.

For those that attended the tour yesterday, I think it was fairly apparent that the Pittsburgh District team really enjoyed sharing with you how they work to maximize the value of our water infrastructure and bring maximum value to our economic benefits and value to the nation.

We had a great visit, I think. Can we all agree on that? For those of you that did not attend, the tour included a tour of Montgomery Locks and Dam on the Ohio River, part of the Upper Ohio Navigation Study, and then we travelled down to the Monongahela River, fondly known here in Pittsburgh as the "Mon" and toured Charleroi Locks and Dam on the Monongahela River, one of the construction sites, which is part of the whole Lower Mon project.

The tour provided us an opportunity to communicate the current and future needs, to recapitalize the essential water infrastructure in this region and how effectively and efficiently USACE can do that.

It also provided us an opportunity to talk about how we conduct maintenance operations to sustain infrastructure that has not been recapitalized for many years.

There is great value in all of us getting together and engaging on the ground to the point -- I know some of you have seen many locks and been to many locks throughout the USACE inventory, and then some of us have not. We went on a tour and maybe it was the first time experiencing it. It was very valuable to all of us. Thank you for all of you that attended.

More importantly, thank you for inviting me to attend this venue today and providing opening remarks. I consider it a great opportunity to participate in this meeting and contribute as much as I can to its success to shape the future vision of the maritime transportation system.

As a former District Engineer in the Nashville District, I was introduced to the inland waterways system and have a tacit appreciation for the complexity of managing the nation's inland waterways system. It has been a great and huge part of my interest in future development, and I will tell you I really wrestle with the whole national infrastructure



challenge, and I figured it out yesterday how we are going to fix it, “Righty Tightly, Lefty Loosey.”

Remember that and we will be good. For those of you went on the tour, you get it. For those of you who didn't, I apologize, and I will explain it later.

But seriously we have the passion here in this room and in our Districts to deliver fantastic water infrastructure to the nation.

We have also the competency and technical expertise to get it done. What we are still lacking is the effective resources to get it done.

So on behalf of Brigadier General Kaiser [Brigadier General Richard G. Kaiser, Commander, USACE, Great Lakes and Ohio River Division], who could not make it here this morning, and he planned to, and I know he hates to say this, but the Pittsburgh District is unique.

Every time I say that General Kaiser says, “Well, why is every district unique?” Well, we are pretty cool here. We got some cool facts.

Sixty million tons of cargo moved on the rivers in the Pittsburgh region and \$5 billion in economic benefits through these locks and dams are provided each year here in this region.

Thirteen billion dollars in flood damages prevented -- flood damages have been prevented since the inception of Civil Works investment in this region.

Five million visitors to our lakes generating about \$200 million per year in local revenue and economic benefits.

The Pittsburgh District is home to nine private hydropower facilities that are constructed near our locks and dams that provide about one million megawatt-hours of power and energy per year.

Water supply, water quality, regulation, ecosystem environmental restoration projects in the region.

The Pittsburgh District is also the home of the National Temporary Power Mission for Engineering Support Function #3 – Public Works and Engineering during federal disasters for the nation.

The Pittsburgh District is working hard every day to engineer solutions for our nation's toughest challenges. We deliver vital public, military engineering services, partnering during times of peace and conflict to strengthen our nation's security, energize our economy and reduce the risk from disasters.

I hope you enjoyed stay here. I hope you enjoy the meeting and the venue here at this location. I specifically hope you saw the black and gold highlights in the hotel, including the bird cage lights and the penguin, which is a tribute to our great hockey team here in Pittsburgh, and thank you for your personal involvement.

At this time I am going to welcome the Honorable Senator Bob Casey and ask him to come forward and be a part of the next phase of this meeting. Senator Casey has been a tacit, hands-on champion for the inland waterways for the nation.

Thank you very much.

SENATOR ROBERT PATRICK “BOB” CASEY: Colonel Lindstrom, thank you for getting us started, and I appreciate your welcome.

I just said to the Colonel that I will be brief because I know I am in the midst of your meeting, and I appreciate this opportunity.

Major General Jackson and all of those who are here today representing and working on behalf of our nation in addition to what you do for the Commonwealth of Pennsylvania, and I know we have folks from all across the country, I want to thank the Inland Waterways Users Board, the Board itself and those who are here representing, whether they are representing the federal government or a company or the Board or otherwise, we are grateful.

I am going to be very brief. I will make three points. Number one is this system that we have, the locks and dams is not simply a Pennsylvania or an individual state resource. This is a national resource. We always celebrate and aim to protect our natural resources. This is a national resource.

This is something that we cannot allow to be further degraded. We cannot allow Washington gridlock or delays or anything else to prevent us from making progress. This is about our nation.

Number two. We know that here in Western Pennsylvania, and it's true in many other states, the impact of not moving forward, not making progress, not meeting the deadlines that we are trying to meet will lead to substantial loss. One estimate indicates that \$220 million of average annual economic benefits being lost.

Here in Southwestern Pennsylvania, just the jobs benefit or the jobs impact I should say, some 200,000 jobs depend upon this system. I think people in this region are more aware of how important this is today than they were even a few years ago. A crisis or a challenge, depending on how you describe our challenges, has that way of focusing attention.

They said that we couldn't bring people together because of what is happening or not happening in Washington. They said that the Democrats and Republicans and House and Senate could not work together on infrastructure, and unfortunately they were true on other

aspects of our infrastructure, but on locks and dams, we came together. We put the “River Act” on the table. We got it passed. [Note: The “River Act” refers to the “*Reinvesting In Vital Economic Rivers and Waterways Act of 2013*”, Senate Bill 407, introduced by Senators Casey, Mary Landrieu and Amy Klobuchar on February 28, 2013. The “River Act” contained many of the same provisions as the subsequently enacted “Water Resources Reform and Development Act of 2014”, Public Law 113-121, dated June 10, 2014, including project delivery process reforms, the development of a 20-year Capital Investment Program, and an increase in the Inland Waterways Fuel Tax.]

We solved some of the funding challenges, but that is not enough. Even though because of that legislation, because of your work, the work of this team here, we were able to get the “River Act” passed and create an opportunity for reliable funding.

We know now that even though there is funding in the Trust Fund that is not nearly enough. We need to see that money being invested so we can improve and strengthen the infrastructure.

I want to spend just a minute, and then I will relinquish the microphone to get you back to your meeting.

Number three. The focus on the Upper Ohio River Navigation Study, I don't have to tell folks in the room again how important this is to our nation and of course how important it is to the Commonwealth of Pennsylvania.

What we aim to do, the Port of Pittsburgh Commission – Suzie [Ms. Susan Barker Shipley, Chairperson, Port of Pittsburgh Commission], I hope you are listening because I will be quoting some of your language here, “Safe, reliable, sustainable navigation”, that is what we aim towards. That is what our goal is, but we know that even though that is the goal, we know that we have some major challenges. One, being structural challenges. Two, being the basic challenge of having inadequate lock capacity for modern navigation tows.

We have got some work to do and you know what the issue is. We have got to get a study done a lot faster than some may think it will get done. Delaying the study and delaying the progress makes no sense for our nation, and it makes no sense for Pennsylvania.

What does delay mean? Well, just like in any circumstance or in most circumstances, when it comes to something this significant, this is consequential for the nation, delay means huge cost increases for sure, and I am a representative of the federal government and a Senator representing Pennsylvania, but I have the words “United States” before the word Senator so I have a national obligation as well.

I have to be in the business of trying to reduce costs or trying to prevent cost increases, so I am also therefore in the business of preventing delays, whatever it takes.

Delays means cost increases, and ultimately delays means job losses, massive job losses if we don't move forward and remove the impediments.

I will quote from the Port of Pittsburgh summary..."According to the Army Corps' own estimation, each year the project is delayed, it costs the region \$430 million per site, a negative economic impact of \$1.29 billion per year."

I think the case is compelling both on the negative side meaning the adverse consequences of allowing a delay, a delay to stop this progress that we have made, but also at the same time, I think we should remind ourselves the positive side of this.

This country has always figured out a way to lead the world, whether it was in navigation or engineering or medical research or whatever it has been. We have always out innovated the world. We frankly can out work the world, but we cannot do those things, we cannot go forward in the nation unless we are willing to knock down impediments, to remove delays, to figure out a way to move forward.

If the United States Congress with all of our challenges and all of our faults, if we can get the "River Act" done, I think we can an eliminate a delay and move forward, and once again show the world that there is no country on earth that can do what you can do. No country on earth that can move commerce like you can.

I am grateful to have an opportunity to speak to an audience and a Board that represents not only this part of the country, but indeed our nation.

Thank you, and God bless you.

(Applause)

MR. POINTON: I would like to call on General Jackson to make his opening remarks.

MAJOR GENERAL JACKSON: Thanks. Good morning, everybody. I am going to echo a few things that have already been said, but it makes sense to pile on here.

I want to welcome everybody to Pittsburgh. It's great to have you all here. I thank you all for being here because I know that you have other things on your plate.

I sat there and enjoyed dinner last night and learned enormous amounts of information about how difficult business is and listening to all the different complexities that you guys have with your day-to-day lives. I know that it is a huge sacrifice for you to be here to participate on this Board and to be leaders in your industry.

And so on that, I thank you very much, and really you have no idea how much we, in the Corps, appreciate your insights and your perspective and your participation in this effort.

I also want to thank Colonel Lindstrom, David Dale and the Pittsburgh District and the Great Lakes and Ohio River Division for hosting us and for the great site visit that we took yesterday.

I go out to visit our locks and dams quite a bit, and I learn something new every time I go. One of the things that I always come away with is the level of commitment, technical expertise and capability that our work force has, folks that are led by people like Rich Lockwood, who are out there every day trying to keep these locks and dams in operation despite a multitude of challenges that they face, and I greatly appreciate those folks who are committed to doing what they do.

They are proud. If you talked to any of them yesterday, they will pull you aside and tell you how proud they are of their facility and the things that they do each and every day for you. They realize the importance of that.

The value of this Board to me is tremendous because in the Corps of Engineers, we don't do anything by ourselves.

I like to think of us as a collaborative organization, and the ability to interact with industry, the ability to listen and understand the challenges that you face, the ability to partner with you, communicate and collaborate with you so that we can understand the common challenges that we face and come up with innovative solutions that we can all play a part in solving to me is where real the true power of this Board is. Again, I appreciate your input.

I also want to say thanks again to the Port of Pittsburgh for a great social last night. That was a pretty swanky joint in my book, and I appreciate the opportunity to actually even go and see that place, pretty fascinating, and thank you for continued sponsorship of us and these activities.

I think it says a lot when we have so many elected officials who join us at these venues. We had Congressman Keith Rothfus [Representative of Pennsylvania's 12<sup>th</sup> Congressional District] there last night at the social and he took time to walk around and talk to all of us, expressing his continued support for inland navigation and his commitment to continue to work in the halls of Congress to help us keep our system up and operational, and certainly having Senator Casey here this morning is a pretty big deal.

If you think about the demands on their schedules, I appreciate our ability to pull these elected officials in to be a part of our team.

We have a very good agenda today. If you take a look at it, we are going to cover a lot of ground. As all of you know, we had our budget release on the 9th of February. We got our FY '17 President's Budget and our FY '16 Work Plan.

Mr. McKee is going to talk about what that means for the navigation program, and he will lay all that out in great detail, and we will have some good discussions about that.

Mr. Belk, from our Headquarters, will be talking about the Capital Investment Strategy, and where we are on that. We transmitted it to Congress I believe last week, so, Eddie, I look forward to that discussion.

Mr. Joe Aldridge is going to talk to us about the Inland Waterways Trust Fund. Dr. Mark Sudol will brief us on the LPMS [Lock Performance Monitoring System], and David Dale will again update us on the status of projects funded with money from the Inland Waterways Trust Fund [Olmsted Locks and Dam and Lower Monongahela River, Locks and Dams 2, 3, and 4].

I encourage you to ask tough questions as you always do. It helps us to really truly understand your concerns are, and it is helpful for us to continue that collaboration and communication with industry through those venues that help make this Board so value added.

We are also very fortunate -- I know when Colonel Lindstrom was up here, he had the opportunity to introduce a number of our members, special guests who are here today, so I am not going to go back through that again, but I do want to say a special welcome Jeff [Mr. Jeffery A. Keifer] to you. Thank you for joining the Board, and we appreciate your interest. We look forward to your expertise and insights, and we know that you will be a valuable member to our team. Thanks for being here.

In addition, to the members of the Board, I just want to offer again a special welcome to our designated Federal observers. I am going to offer you as it is our tradition an opportunity to make a few opening comments. I will start off with Mr. Lowry Crook, who is our Principal Deputy Assistant Secretary of the Army for Civil Works.

Mr. Crook, the floor is yours.

MR. CROOK: Thank you. I will be brief. I just wanted, first of all, to say Secretary Darcy [Assistant Secretary of the Army for Civil Works Ms. Jo-Ellen Darcy] sends her regrets. She and the Chief [Lieutenant General Thomas P. Bostick, Chief of Engineers and Commanding General USACE] are in Afghanistan right now and obviously could not make it, but she wanted to be here otherwise. So you are stuck with me.

This is my second Inland Waterways Users Board Meeting, and I found the last one hugely valuable for understanding what the real issues and priorities of what you are dealing with are.

Since that time and since I started in this position, I just want to thank General Jackson and Steve Stockton and all of the leadership in the Army Corps for the close partnership that we have had, and Senator Casey talked about removing barriers and preventing delays, and I feel we together have been able to make a lot of progress.

We have a lot more to make, and I look forward to continuing to work with this Board and hear from you about what your concerns and challenges are and figuring out how we can help address as many of those as possible.

MAJOR GENERAL JACKSON: Thank you, Mr. Crook. Now, we are honored to have Mr. Joel Szabat here from the Maritime Administration. He's the Executive Director. Joel, the floor is yours.

MR. SZABAT: General Jackson, thank you. The Maritime Administration is always delighted to be invited to be an observer at the meetings of the Inland Waterways Users Board.

Three quick items, one each for the Inland Waterways Users Board, the Port of Pittsburgh and for the Corps.

Yesterday at Charleroi, Steve Fritz of the Corps noted that inland water transportation moves goods with fewer emissions and less wear and tear on the roads and bridges along the Monongahela River than any other form of transportation.

The U.S. Department of Transportation's "*Beyond Traffic 2045: Trends and Choices*" report that came out last year noted what is true along the Monongahela is true across the country.

Over the course of the next 30 years, we expect to see a growth of 40 percent in the amount of freight and goods moved in the United States. We will not have the capacity to move that freight along our roads and along our railways. We will have the capacity, additional capacity to move it on our inland waterways.

Last year Congress directed the Maritime Administration within the Department of Transportation to develop a National Maritime Strategy. As Maritime Administrator Paul "Chip" Jaenichen noted in his congressional hearings last month, the draft of National Maritime Strategy is now being circulated among federal agencies, and the next step after that will be to release it for public comment. One section of the draft discusses why and how to improve waterborne transportation to reduce congestion and increase mobility. When the draft National Maritime Strategy hits the street for public comment, I commend it to you for your attention, and we will welcome your input.

Secondly, I want to give a shout out to our hosts from the Port of Pittsburgh. When the Department of Transportation's TIGER grants were rolled out in 2009, the Port of Pittsburgh submitted a forward-looking, well thought out proposal to improve communications and therefore the safety and capacity along the inland waterways within the region. Unfortunately that proposal was not adopted at the time for jurisdictional reasons, but the value of that proposal is as real today as it was when it was first proposed in 2009.

My message to the Port of Pittsburgh is, if you are still interested in pursuing it, please work with Mr. Scott Davies from the Maritime Administration. Scott is the audience. There is

Scott with his hand up. He is the guy who will beseech you with business cards during your break. He would like to work with you on that going forward.

Finally to steal a line from the movie “Indiana Jones and the Last Crusade”, you chose wisely in choosing to recognize Rich Lockwood. Rich is not only a great asset here for the Corps, but he has also been a friend, a resource, and an inspiration for all of us who are struggling to address maritime and waterway issues, no matter whether we work in the government or as stakeholders.

General Jackson, thank you.

MAJOR GENERAL JACKSON: Thank you very much, Mr. Szabat. Now, over to Mr. Gary Magnuson from NOAA. Sir, the floor is yours.

MR. GARY MAGNUSON: General, thank you very much. Mr. Chairman, members of the Board, my fellow Federal observers and guests. This is my third Inland Waterways Users Board meeting, and it's great to be with you again. I am pleased to join you again to represent NOAA and Rear Admiral Gerd Glang who sends his regards.

I want to cover to two items, and it picks up on your words General about collaboration. As you and others and Mr. Szabat play a key role on the Committee on the Marine Transportation System, which I had the pleasure to work with for ten years, but it is all about collaboration because one agency cannot do it all.

First, in preparation for the Inner Harbor Navigation Canal closure coming up in 60 to 90 days in New Orleans, I wanted you to know that the Army Corps of Engineers, NOAA and the Coast Guard are working together on the development of an alternative route while the lock is closed.

NOAA has done a survey of that alternative route. NOAA plans to update that survey, possibly even developing an electronic navigational chart to secure safe, reliable and sustainable navigation on that alternative route while that lock is being repaired. Again, it's all about collaboration.

Also, I'm pleased to report that the Army Corps of Engineers and NOAA are working on a new Memorandum of Agreement. It's new. It's being updated. The focus of the Memorandum of Agreement is the exchange and sharing of data and information, the implementation of the “e-hydro” enterprise initiative, and the sharing of information so NOAA can produce the best charts possible.

I was at the NOAA Federal Advisory Committee meeting, the Hydrographic Services Review Panel meeting in Galveston a couple of weeks ago, and at that meeting the Commander of U.S. Coast Guard Sector Houston-Galveston, Captain Brian Penoyer reported that within the maritime industry there is a “revolution” underway regarding the amount and availability of information and data and how that data and information is being understood and utilized. The



challenge is to make that data and information usable and accessible to all those who need it for common navigational and related concerns.

Again thank you for allowing me to be with you today, and I look forward to the meeting.

MAJOR GENERAL JACKSON: Thank you, sir. Normally we have a representative from the U.S. Department of Agriculture, Mr. Nick Marathon, join us at these meetings. Unfortunately, Mr. Marathon could not be here today, but he does send his regrets and very best wishes to all and looks forward to joining us at our next meeting.

Mr. Chairman, with that, I turn the floor over to you.

CHAIRMAN HETTEL: Thank you, General, and good morning. Welcome all to our Inland Waterways Users Board meeting No. 78 here in Pittsburgh.

The Board would certainly like to take the time to thank the Port of Pittsburgh Commission for sponsoring the social event last night, and along with a thank you to the Waterways Association of Pittsburgh for sponsoring the coffee service at our meeting today.

I would like to extend a special thank you to the Corps' Pittsburgh District for our site visits yesterday as we realize, there is a lot logistical coordination that goes into scheduling these types of events. The site visits are very informative to the Board. We appreciate your efforts in this manner.

It has been almost four months since our last meeting, and moving forward we need to get back on schedule for our quarterly meetings for the remainder of the year. I want to run through those. Our planned meeting No. 79, the last week of June in Paducah, Kentucky with site visits to Kentucky Lock and Dam and Olmsted Locks and Dam.

Meeting No. 80 is a little bit up in the air. If the Inner Harbor Navigation Canal [IHNC] Lock is closed, we will probably be going down to New Orleans to see that project. If the IHNC closure is delayed or rescheduled, we will hold our meeting in Charleston, West Virginia because the Greenup Lock will go down for some major rehabilitation. That would be somewhere in mid-September, and we will finish up our last meeting, No. 81, in Vicksburg, Mississippi with a site visit to the USACE, Engineer Research and Development Center facility the first part of December.

We need also to be looking at this Board's current positions as we are a mere 14 months away from 10 of the 11 Board members' terms expiring on May 27th of 2017. When I look at the organizations that our current Board members are employed by, these organizations represent approximately 60 percent of the annual Inland Waterways Trust Fund deposits.

We need to ensure that we do not experience a complete turnover in the Board in order to achieve continuity and continued collaboration between the Board and the Army Corps of Engineers.

In the Board's charter it states the following: "A user or shipper may not be represented on the Board for more than two consecutive terms of service, four years, without prior approval from the Secretary of Defense." Therefore, I would ask the Assistant Secretary's office to request approval from the Secretary of Defense for 50 percent or 5 of the 10 current Board members' terms that are expiring on May 27th of 2017, be approved for an additional two-year term as the charter states possible.

Fiscal Year 2016 is the first time in my four years of being on the Inland Waterways Users Board that we have construction funds obligated to the top four priority projects supported by the Inland Waterways Trust Fund.

The Board is in the process of putting together our recommendations to Congress on the President's Fiscal Year 2017 Budget request. While the Board certainly thanks the President for including the \$225 million capability funding for Olmsted in his budget request, this would only utilize \$33.75 million of the expected \$116 million to be deposited into the Trust Fund in Fiscal Year 2017. That would leave \$82.25 million, added to the current balance of \$54 million at the end of FY 2015 and would balloon the Trust Fund to \$136 million left in the Trust Fund at the end of Fiscal Year 2017.

When we voluntarily increased our fuel tax by 45 percent to 29 cents a gallon, it was not to allow our funds to just sit in the Trust Fund and not be utilized to recapitalize our inland waterway infrastructure.

As an example, at our Users Board Meeting No. 77 in December, we were given capability funding numbers for the four priority projects. These numbers are included in our annual report. Well, if we don't fund the Lower Monongahela, Kentucky and Chickamauga in Fiscal Year 2017, the cost of these three projects would escalate by \$228.6 million for just one year of delay in construction, let alone the additional forgone benefits of \$907 million. This is not a good utilization of taxpayer dollars or the Inland Waterway Trust Fund revenues.

We again will have to count on Congress to appropriate additional funds for Inland Waterways Trust Fund supported projects in order to save the taxpaying public money and utilize the Inland Waterways Trust Fund receipts for these projects, which at the end would result in an increased value to the nation.

We would also like to address the public private partnerships as it relates to the inland waterways system. The Board is not opposed to appropriate, properly-structured financing to improve the nation's inland waterways transportation system. The Board already believes that we have a strong, viable public-private partnership with the Corps through the Inland Waterways Trust Fund, and we are opposed to any tolls or lockage fees that could be imposed on carriers and/or shippers on the inland waterways system.

I will end with a thank you to Senator Casey. The Senator has been and continues to be a champion of the inland marine transportation system. As the Senator stated, he introduced the “River Act”, which ultimately changed the cost share formula for the Olmsted Locks and Dam project [Section 2006(a)(2) of Public Law 113-121, the “Water Resources Reform and Development Act of 2014” also referred to as “WRRDA 2014”], along with an increase in the cost threshold for major rehabilitation projects in the WRRDA 2014 legislation.

Senator Casey was also instrumental in our voluntary increase in the fuel tax from 20 cents to 29 cents a gallon through the tax extender's package that was passed in December of 2014 [Section 205 of Title II of Division B of Public Law 113-295, the “Achieving A Better Life Experience Act of 2014” also referred to as the “ABLE Act of 2014”, dated December 19, 2014].

Without Senator Casey's involvement, we would not be moving ahead with projects such as the Lower Monongahela River. The Senator certainly understands the value of the marine transportation system not only in the State of Pennsylvania, but also throughout the United States.

That will conclude my remarks, and I turn it back over to you, Mr. Pointon.

MR. POINTON: Thank you, Marty. Appreciate it.

It is that time in the agenda to approve the meeting minutes from meeting No. 77 that we held in December. They were sent to you electronically, and they are also included the blue information books that you received.

Can I ask a member to offer a motion to approve the minutes from the last meeting?

MR. DANIEL P. MECKLENBORG: So moved.

MR. POINTON: Thank you, Dan. Do I have a second?

MR. BRUCE REED: So moved.

MR. POINTON: Seconded. I think everyone seconded it so that is good. I am going to tag you, Bruce. Bruce seconded it.

If I can get a vote of all in favor of approving the minutes from Users Board meeting No. 77?

BOARD MEMBERS: Aye (unanimous).

MR. POINTON: Any nays? Hearing none, the motion to approve the minutes from Users Board meeting No. 77 is approved unanimously. Thank you gentlemen.

Next on the program is an update on the status of the LPMS, the Lock Performance Monitoring System. I would like to call on Dr. Mark Sudol to give us a brief update of our progress on the LPMS.

DR. MARK F. SUDOL: Good morning, General Jackson, Chairman Hettel and Board members, I appreciate you allowing me the time to give you another update on LPMS and where we stand. One of the things that we are doing is I have two of the younger members of my organization here at the Board meeting today to listen to the comments because we will be making the changes that we talked about. We have already made some of the changes and we are going to be making more changes to LPMS both for the users in the field and for you in the industry.

Let us start off with the policy that we have been talking about for the last six months. This is the policy on data collection and change in the issue with the towboats. That policy is approved and was put into place on January 1st, and we are collecting the data, especially for the Bayou Sorrel lock, the correct data is being done.

We have also talked to the lock operators at Bayou Sorrel. They have some additional data on the corrections that Chairman Hettel was talking about. If we have to do that, we will get to that in a little bit. That one is finished unless there is any questions.

The next thing is that I redid this diagram because one of the things the Board members were talking about is the delay time, and I want to show this to make sure you understand that we are collecting all the time from when we start at the approach point, and again there is some flexibility there for lock operators, and we've talked about that and the approach points of the industry delay looks at from when you call in and start the process to when you leave the lock. Now we, in the Corps, are collecting that. We don't call it all a delay, but we are collecting that entire time frame.

One of the questions that came up on the tour yesterday was with flotillas, and some of our LPMS at some of our locks, when we have an eight-flotilla cut, let us say a lock cut, but it shows up sometimes in LPMS as each one of those is a separate lockage time.

That is the way LPMS collects it, but we also collect the entire time of the flotilla. We will start trying to make the change to show the LPMS flotilla delay time, not just the time for each cut.

We do collect the time for the -- again, as you saw here, the entry of the first cut is collected and the exit of the last cut, so we collect all that time. It may show up in LPMS as each one separately, but we can show this entire flotilla. We will make that change hopefully within the next month, but it's going to be a change.

Sir.

CHAIRMAN HETTEL: Thanks, Dr. Sudol. I just want to make sure you understand what our concerns are, and that is that we are tracking the total delay and transit time so that when the Corps looks at shipper/carrier costs, they are in fact including the actual arrival, delay and lockage of the entire flotilla.

Because when we look at LPMS now, that it takes the average of each cut into the system, so we don't know if you are seeing the average, the total delay or not when we put together the BCR [benefit to cost ratio] for a possible project. That is our concern, if we don't have the delays times and the shipper/carrier costs correct on the front side, we are not going to have the BCR correct on the back side.

DR. SUDOL: Exactly. That is why we are going to make the change in LPMS to show that instead of an average delay, we are going to show the entire delay of the flotilla. You will be able to see the time when it started and when it ended. So we are collecting that information.

We will spend a little time on that, and we do have to make some changes to the program so it will be a little longer than just short changes. This is actually more -- talking to my technical folks that are actually here in the back of the room, and it will probably take a month or so to make that technical change, but we are collecting it.

MR. POINTON: Rob, you had a question.

MR. ROBERT J. INNIS: Yes.

DR. SUDOL: Sir.

MR. INNIS: Sorry. Just a quick question. Do we have a standard when the industry calls in, a delay?

DR. SUDOL: Yes and no. That is a great question because one of the things that we did not want to limit it at the approach point. We have talked to the lock operators, and I made my tour last year to talk to them.

We want to give the lock operators a little bit of flexibility, and let me explain that. If no one is in the queue, and there is nobody coming in, they call in at the approach point and that starts the entire lockage process. So that is the start of the time, the arrival time and everything else.

If instead there are four or five tows already waiting, what the lock operator will let them do is call ahead of the approach point and start slowing down and that will actually start the delay time there, and they work with the lock operators and the towboat operators to make sure they include that in their delay time, but if you read the policy we put out, that gives them that flexibility to make that delay time.

Sir.

MR. WILLIAM M. WOODRUFF: If I could follow up on that question. I understand why you have some flexibility that it is not a geographic point because in our mind our delay time starts when we cannot go any further up the waterway because there is a lock in front of us and there is traffic queued up at that lock.

Depending on how much traffic there is, we could still be some distance from the point, the approach point that might be designated.

The other thing that I think is important to recognize is that we have an obligation, all of us, collectively to eliminate risk wherever we can and to make operations as safe as possible, and it is not always a good idea to bunch up a bunch of equipment, especially when the Mississippi is running hard, you just don't want a bunch of tows sitting at the approach to the Inner Harbor Navigation Canal lock, for example.

I think it is vital that your guys have flexibility, but also appropriately use that flexibility so that we really are capturing when our guys cannot go any further and that be the time when their delays are noted to start.

DR. SUDOL: Yes, sir. Maybe I was not clear, but we do not use the approach point part of it. That is exactly what I am saying. In those situations, exactly what you are saying. The towboat operators work with the lock operators. If they have to tie up several miles above the approach point, we still count that as a delay.

MR. WOODRUFF: I appreciate that, and I am just emphasizing the importance of that, and I just have a question. Recognizing that it is essential to give the lock operators that discretion, is there any way that the way they are using that discretion is being documented so that we know they are actually recording the tows when the guy calls in and says, I want to lock, but I can't come any closer to you than where I am right now.

DR. SUDOL: Yes, sir. That is one of the comments we heard yesterday on the lock tour. There was not a way for them to put in a comment field. They could record the time that they started that, but there was not a comment field that would allow them to edit that time, to give that information, like you said, to allow that to be put in.

We think we can add that within the next two weeks to the program. We are addressing our lock operators to give them the ability to put the time and then put the comment that they are tied up two or three miles upriver from the lock and it starts the delay time.

MR. WOODRUFF: That is important for us I think when we -- if we ever have to go back in the future and try to reconstruct some of these numbers and figure out was it really done correctly, that additional data would be very valuable.

DR. SUDOL: Yes, sir.

CHAIRMAN HETTEL: Dr. Sudol. In reference to Vice Chairman Woodruff's comments, if things are working the way I think you are telling them they are working, if we see a vessel sends a report on vessel traffic into our office and says, we stopped and are waiting at Lock 52 at 11:00 o'clock this morning, we then should be able to go to the LPMS system and see that same time logged in as to what our boat logs are reflecting. Is that correct?

DR. SUDOL: Yes, sir.

CHAIRMAN HETTEL: Will the lock operators and the vessel wheelmen have the opportunity to agree on the arrival times?

DR. SUDOL: Well, that is what we are trying to work through, sir. But as you know, sometimes LPMS is a half an hour late. There is a delay time in the LPMS data. But other than that, we are trying to make sure that it is the same data because it behooves us to match what you guys are doing and what we are doing, so we both have the same set of books.

Yes, sir.

CHAIRMAN HETTEL: I think the point really going forward is that once you get this process flowing, we should be able to verify what LPMS has versus our vessel traffic. Is that correct?

DR. SUDOL: Yes, sir.

CHAIRMAN HETTEL: Okay. Thank you.

DR. SUDOL: Just as another point, one of the things that we have started doing is talking to, for example, Kareem El-Naggar is here from LRD [the Great Lakes and Ohio River Division]. One of things we are doing is making connections with the Divisions to get correct points of contact in the Divisions and Districts making sure this policy is not only put out in written format, but we have meetings to discuss it with the lock operators themselves, and it gets down to all the lock operators because we have not a done as a good of a job of talking to the lock operators ourselves and we need to be better about that.

The next point, back to reanalyzing the LPMS data. Yes, we can. We have been coordinating with the PCXIN in Huntington. They are the ones that do the analysis. For example, for Bayou Sorrel, if there was a project that came in there, they would have the ability to check the average lock time. What they cannot do is go back and change every lockage to put the correct hours, but they can relook at the data, and I talked to them specifically about this, can they look at the data and the number of locks, the numbers of lockage to go through, work with the lock operators, who gave real time that it took the operators to go through and use that in our analysis going forward? Yes, they can, but it would not occur until they had the funding to do it.

Sir.

CHAIRMAN HETTEL: Dr. Sudol. I am confused about on your remark on the slide, “Will not occur until we have the funds available.” Aren't there people already working or sitting at the PCXIN [the Corps of Engineers’ Planning Center of Expertise on Inland Navigation located within the Huntington District office of the Corps, Huntington, WV] that could do this work? What do you need? Do you need to hire somebody to do this?

DR. SUDOL: They already have projects that they are working on. They have a set of projects that they are tasked with to do the analysis on existing locks. I believe they are working on several right now. We would have to pull them off of that just to work on Bayou Sorrel. So they are already working on a number of projects for existing projects that are going to be moving forward in the queue.

CHAIRMAN HETTEL: I would assume that prior -- before we can reanalyze the previous year, before you make these changes, we will probably have an actual year of locking at Bayou Sorrel under the new --

DR. SUDOL: Likely, yes, sir.

CHAIRMAN HETTEL: If we were to ask the Corps to relook at the economic impacts of approving Bayou Sorrel, we wouldn't have that data until the end of 2017 probably?

DR. SUDOL: Well, no, sir. What would happen is if there was a project that came in to say look at Bayou Sorrel. We could go back and reanalyze the data. It would probably take about a month. I have talked to the folks in the PCXIN, but unfortunately right now their folks are tied up with existing projects that they are doing analyses on. Once we get -- if we got the funding to do a project at Bayou Sorrel and do the analysis, we could relook at the data, but until we get the funding to do that, we just don't have the time to do it.

CHAIRMAN HETTEL: Aren't there funds allocated to the Board's request on studies?

DR. SUDOL: That is not my area so I would talk to Mr. Pointon or Mr. McKee.

MR. POINTON: The funding that is provided for the Board is not by a specific project type of funding. It would be related to the purpose of the Users Board, not for a Bayou Sorrel reanalysis, if you will.

CHAIRMAN HETTEL: So it is not for the Board to ask for information from the Institute for Water Resources. There is no money in the budget for that?

MR. POINTON: The funding for the Users Board is not for that purpose. We could request that we get funding to do that, which is what exactly Dr. Sudol was saying, to pursue that activity.



MR. WOODRUFF: Mr. Chairman, recognizing based on that that we do not have funds that we can ask be allocated, I think we still as the Inland Waterways Users Board, in our role as advising Congress and the Administration as to where sound investments could be made in the Inland Waterways, I think it would be a sound investment in the inland waterways to put some money into re-examining Bayou Sorrel, which is a critical link in our waterway system. It has a tremendous amount of tonnage of high value cargo that support the manufacturing of many products, especially petrochemicals, along the Gulf Coast, and keeping those cargo movements efficient. We have got a lot of delays there and that is incurring a lot of costs and inefficiencies for our customers, the shippers of those goods.

I think would it be in order for me to suggest a motion that the Inland Waterways Users Board urge the Corps of Engineers to find the funds to do that study so that we can keep moving ahead on looking at a fix of Bayou Sorrel with the right data. That would be my motion, if you deem it in order.

CHAIRMAN HETTEL: I will second that motion, Mr. Vice Chairman. Any comments from the Board?

BOARD MEMBERS: (No response.)

CHAIRMAN HETTEL: All in favor?

BOARD MEMBERS: Aye (unanimous).

CHAIRMAN HETTEL: Any opposed? Hearing none the motion passes. Thank you, Mr. Woodruff.

DR. SUDOL: The other question that came up in the last Users Board Meeting was about open pass conditions, and Chairman Hettel asked if we were collecting information on open pass conditions. We actually have two kinds of open pass conditions. We have navigable pass and open pass, and in both cases we do collect information from LPMS for both of these conditions.

Yes, sir.

CHAIRMAN HETTEL: Dr. Sudol. As we talked about LaGrange Lock, when you look at the average delays at LaGrange for a year, are you differentiating from open pass or when the dam is up and we are actually locking?

DR. SUDOL: I would have to check. I don't know. I would have to check on that question.

CHAIRMAN HETTEL: Because I think you will see that your average locking time reflects whether we have open pass or we are actually locking through the facility.

DR. SUDOL: We do collect the open pass and it is documented. I can go back and have them look at the data to see if the average includes both open pass and non-open pass. I can check that for you.

CHAIRMAN HETTEL: All right. Thank you very much.

DR. SUDOL: I believe that is the last slide. That is my phone number, and that is my direct line if anybody has questions.

MR. POINTON: Thank you, Dr. Sudol. I would like to call on Mr. Jeff McKee to give a brief update on the Notices to Navigation Interests policy change.

MR. JEFFREY A. McKEE: Thank you, Mark. We have finalized the standard notification procedures for our waterway and navigation structure closures.

Mr. Chairman, I thank you for the comments that you and the Board provided. In response to your comment to provide an e-mail notification to the Board members, we have included that requirement in the Standard Operating Procedure, and we have attached an appendix at the end with all of the Users Board members' e-mail addresses. There are a few tweaks we need to do on that, but expect that to be distributed within the next week or so under Mr. Belk's signature.

We have coordinated with all the Districts and Divisions so everybody is aware of what we are proposing and taken into account any comments we have received and you have seen that in the draft that we forwarded to you.

CHAIRMAN HETTEL: Jeff, we certainly want to thank you. We have been trying to get at the table for the scheduling of not only O&M [Operation and Maintenance] activities, but also lock closures, and this should allow us to have better collaboration with the Corps. I certainly appreciate you moving forward with this. This would be great step in the right direction.

I would like to add my accolades to the Great Lakes and Ohio River Division as we started this process back on March 24th and held a meeting in Cincinnati, and I think the derivative of that meeting was just really good collaboration between the Corps and industry, and we both learned a lot from each other. This is a great step in the right direction, Jeff. I want to thank you for that.

MR. McKEE: Thank you, sir.

MR. POINTON: Any other questions for Jeff? If not, we will move on to the next item, which is also Mr. McKee who will talk about the FY 2016 Work Plan and the FY 2017 President's Budget as it relates to navigation.

MR. McKEE: Good morning. I thought I would start off today with just giving a brief overview of some of the key funding decision criteria that the Corps used for putting together the budget and to a certain degree the work plans that Congress gives us when they provided extra funding in the Energy and Water Development Appropriations Act.

I am not going to read every one of these, but you can see for the Investigations account, these are the Feasibility studies that the Corps performs as well as the Pre-construction Engineering and Design [PED] studies. You can see we are focusing on the completion of these Feasibility studies and Pre-construction Engineering and Design efforts that would be completed within either the Budget year or the Work Plan year.

CHAIRMAN HETTEL: Jeff, I would like to ask you a question on your Pre-construction Engineering and Design efforts.

MR. McKEE: Sir.

CHAIRMAN HETTEL: Your slide reads “PEDs must be competitive or completed.”

MR. McKEE: PEDs must be competitive for construction within two years, which means it has to have the parameters to be able to move ahead with construction within the next two years. If you have a Feasibility study that has been completed and you have the Chief's report, but there is no authorization, that means that project is not ready to move forward and it is more challenging to get funding for that.

When you go further down the slide to the Construction account, you see the BCR threshold of 2.5 at 7% interest rate. If the BCR at 7 percent is something like 1.5 or less than that 2.5, that project is not competitive for construction in the President's Budget.

While we have not within the last year put specific requirements, such as “Must have the Chief's report by a certain date”, “Must be authorized”, “Must have a BCR”, it was left generic that in order for us to budget for PED funds in a fiscal year, that project must be considered to be competitive for Construction funds within the next two years.

CHAIRMAN HETTEL: The definition of competitive is a BCR of 2.5 or greater?

MR. McKEE: We are looking generally around 2.5. It is not necessarily a cutoff. We have used a BCR of 2 in the past, but it has got to be close to 2.5.

CHAIRMAN HETTEL: Let me ask you a question. In the original Capital Investment Strategy that we sent to the Assistant Secretary's office, and I am not referencing the current one that we have in front of us, it showed that we can start LaGrange Lock in the 2023, 2024 time frame. Is it as simple as saying that you need PED funding two years prior to when funding would be available, or does that project not count or not be considered for funding because it has a BCR less than 2.5? That is what I am trying to figure out.

MR. McKEE: Two things on that. The length of time that is required before construction starts is going to depend on the amount of Preconstruction Engineering and Design work that needs to be done.

If it is fairly simple and straightforward, you may get by with a year of PED funding. If it is much more complex and a lot more work has to be done, you may have to re-analyze the benefits that you have, you may have to do a significant amount of geotechnical investigations still, it could take much longer than two years to do the PED analysis. The first thing is the length of time is going to depend on what is required to be accomplished during the PED phase.

CHAIRMAN HETTEL: Okay. In order to save time moving forward, could we make a request that you let us know what that time frame is for LaGrange Lock and Lock and Dam 25?

MR. McKEE: For LaGrange?

CHAIRMAN HETTEL: And Lock and Dam 25, how much time frame that we need to do the PED analysis before construction could begin? May we have that at our next Users Board meeting?

MR. McKEE: Sure.

CHAIRMAN HETTEL: Great.

MR. McKEE: This is specifically for when we talk about LaGrange for construction of a new lock under the NESP Program [the “Navigation and Ecosystem Sustainability Program”, formerly referred to as the “Upper Mississippi and Illinois Waterway Project”, authorized by Title VIII of the Water Resources Development Act of 2007, Public Law 110-114, signed November 8, 2007] opposed to a major rehabilitation.

CHAIRMAN HETTEL: That is correct. Thank you.

MR. McKEE: Sure.

MR. MECKLENBORG: Mr. McKee. I wanted to just voice the desire to have perhaps a listing of our various projects with their BCRs. It seems like these are moving targets, and when a BCR is established or calculated, how long is it good for essentially? What causes it to change and what time frame is at work in re-evaluating or re-calculating BCRs?

MR. McKEE: The requirements that we have, and we touched on this at the last meeting, and I was going to touch on it at the end of this, but since you asked the question, sir, our annual Budget ECs, our Engineering Circulars that are put out requires that we update the benefits every five years for projects that are going to be competing for construction funds, and that is so we don't have a Chief's report or an authorization that goes back 10 to 15 years, now comes up, and we have a project sponsor that is ready or for whatever reason that project is

ready to move forward. We don't have a situation where the benefits and the costs are out of date.

It is something that needs to be updated every five years and has been arrived at through discussions with the Office of Management and Budget as well as the Assistant Secretary's office and the Corps of Engineers, and it has been put into our annual Budget EC that goes out each year to the District offices when they prepare the Budget EC. The time frame for them to submit a budget each year or submit their recommendations for inclusion in the budget to Headquarters is around the June time frame, and you would have to have something that had the updated economics within five years of that time frame for projects that are continuing within three years from projects that are going to be competing as new construction starts.

MR. MECKLENBORG: Okay. It would be helpful to periodically or perhaps to provide that listing to the Board members. I noticed even in the newly issued Capital Investment Strategy that the priority projects that are recommended in there don't have BCRs listed for them in the report and I am kind of just left to guess at their BCRs. I am assuming that they are all over 2.5, but I am not certain of that. I just would find that helpful and maybe the other Board members would as well.

MR. McKEE: Okay. We will be glad to provide that. Quickly for the ones that we have under construction you are looking at about 3.3 for Olmsted so it exceeds the 2.5.

You are at about 1.4 at 7 percent for the Lower Mon project. That is Locks and Dams 2, 3 and 4. You are at about 1.8 for Kentucky. That is currently under review, both the cost estimate as well as the benefits, and then Chickamauga Lock is currently under development, and we expect that later this spring or early summer. The indication was that we dropped below 1.0 at 7 percent when we met in Nashville.

MR. MECKLENBORG: Okay. The implication of that to me just sitting here and listening to the framework that you have explained here that they are not going to get done, they are not going to be included in the President's Budget despite being listed as priority projects under the Capital Investment Strategy, there is a disconnect there in my mind and a real concern.

MR. McKEE: Noted, sir. Certainly as I go through the presentation a little bit later, you will see that Olmsted is the only project that is included in the FY '17 Budget, however, the appropriations that we are given by the Congress for the current year are not tied to the same metrics that you see here for budgeting purposes and that is why you will see funds were added for all four of those projects in the FY '16 work plan, and I will get to that.

MR. WOODRUFF: Mr. McKee. I know this has been said before, but I would be remiss if I didn't say it again, and I think I speak for the Board when we say that benefit-cost ratios for projects under construction are really irrelevant to us, that the proper metric is remaining costs, not the sunk costs.

We have to take into consideration the substantial investment that the nation has already made in those projects and really we should be looking at the cost to finish them, not the cost that has already been spent in determining benefit-cost ratios there.

MR. McKEE: Sure. While we understand that, Mr. Woodruff, the Administration's position in terms of budgeting is the benefit-to-cost ratio at a discount rate of 7 percent for determining those projects that are most competitive for inclusion in the President's annual budget.

MR. MICHAEL T. SOMALES: Mr. McKee. Is there a change in that interest rate of 7 percent? Was that a different rate?

MR. McKEE: No sir. The interest rate that is used for feasibility studies varies as the federal interest rate varies. For the purposes of budgeting, that interest rate has been set at 7 percent so that you can compare projects across different eras when they were done at different interest rates.

Every project competes at 7 percent, and you can make a decision across projects on a common discount rate as opposed to trying to measure something that was done at three and a quarter, which is the current discount rate versus five and seven-eighths or eight and a half, whatever the particular discount rate was at the time when the feasibility study was performed.

MR. SOMALES: I guess my question was, was it a different rate earlier when we got to the BCR projects, or has it always been 7 percent?

MR. McKEE: In terms of budgeting, it has been 7 percent for a fairly long time. I don't know exactly how long. Certainly since I have been up at Headquarters for eight years it has been that way, and I know it was that way prior to that.

MR. EDWARD E. BELK: Just to completely beat this horse to death on the BCRs, I want to really make sure there is clarity here on the fact that in the life span of a project, there are two BCR snapshots that are pretty important, and I think your question is getting to this.

The first snapshot is that which is used to determine federal interest and is a part of a feasibility study. A feasibility study is an investment recommendation for the Administration and Congress to consider, and that investment recommendation, based on the current interest rate, and right now I think it's 3 and one-eighth percent (3.125%) or thereabouts, and so that determines whether or not there their federal interest in a project and that is the interest rate of which a project is authorized.

Once a project is authorized, then there is another interest rate that is in play on whether or not it gets funded, and that is what Jeff is talking about, and I think that is where the 7 percent or the 2.5 BCR at 7 percent comes into play. The first one is federal interest made at the time of the authorization. The second is the budgetability made when something is teed up for funding. So you have to keep those in mind.

Thank you.

MR. McKEE: Thank you, Mr. Belk.

CHAIRMAN HETTEL: Mr. McKee. I am looking and I haven't had time to read all of the Capital Investment Strategy that was given to us a couple of days ago, but it says under Section 3.6.3 "Remaining Benefit to Remaining Cost Ratio", and I quote "Like the BCR for projects being considered for authorization or investment, the RBRCR [remaining benefit to remaining cost ratio] informs the process but focuses on the decision process going forward once construction has started, taking into account sunk costs invested in the project."

If we are going to get BCR ratios for the authorized projects as Board member Mecklenborg requested, can you also give us the RBRCR for those projects, also?

MR. McKEE: Sure.

CHAIRMAN HETTEL: Thank you.

MR. McKEE: We will have both of them. We will have them both at the applicable rate as well as the 7 percent.

CHAIRMAN HETTEL: Great. I am going to ask one last question and that is the threshold of 2.5 or greater to be included in the President's Budget, has that been the norm or when was that 2.5 BCR threshold initiated?

MR. McKEE: That has been in place for a number of years at least since I have been working at Headquarters.

CHAIRMAN HETTEL: Because it says in the Capital Investment Strategy recently that it has been a 2.5 BCR for budget consideration?

MR. McKEE: That has been there for a number of years. Certainly the last eight years that I am aware of.

MR. BELK: I would say a decade, 10 or 12 years at least.

CHAIRMAN HETTEL: It just says "recently", and if you are defining recently as 10 or 12 years, for as long as you have been there.

MR. McKEE: Compared to geologic times, it's recent.

CHAIRMAN HETTEL: All right. Thank you.

MR. McKEE: You are welcome. Thank you.

MR. WOODRUFF: At the risk of unduly complicating the table that you are going to prepare for us. Since it seems as these numbers have a life, and it is five years, if I understood you correctly?

MR. McKEE: Yes, sir.

MR. WOODRUFF: It might also be helpful to note the date of the information so that the Board can look at these projects, and we can see which ones those numbers are likely to be changing soon.

MR. McKEE: Yes, we track that sir, so it is easy to put that in a table for you.

MR. WOODRUFF: Is there a system in place that allows you to do these updates? The funding is there. So this is something that is more of an administrative thing, or could we find ourselves in a future meeting where we find out that the numbers, benefit-to-cost ratio numbers were out of date, and we don't having funding or authorization to update them?

MR. McKEE: The funding is project funded. Anything that is done, you must have something that is provided through the appropriations process.

If it is not in the President's Budget, there is opportunity to include funds in the work plans, and we have done that for some projects that have not been funded recently and additional funds have been provided to do economic updates.

In the case of Kentucky Lock, we provided funds in the FY '15 Work Plan to initiate work on that economic update, and we had previously had funds for Chickamauga Lock as well.

Those are continuing construction projects so economic updates are being done as part of the continuing engineering and design during construction. If a project is under construction, the funds are available to do those updates.

MR. WOODRUFF: I guess one of the concerns that I have, that we seem to have, and perhaps appropriately so a certain number of hurdles that a project has to go through before construction can start, but a lot of those can create a huge time lag between when we might decide we want to do something and that we have the ability to do something if funding were to become available for it.

I remember back in 2009, the term "shovel-ready" became a very topical term because the question was, the nation chose to invest in infrastructure and other things, and the infrastructure projects that were qualified for consideration were those that were shovel-ready.

It almost seems like we are putting ourselves in a position where we won't have a bunch or any shovel-ready projects ready to go if suddenly money were to be available, and I think



that would be a mistake. I think that we need to have the projects that are under construction being moving towards completion as efficiently as possible, but I also think it makes sense to have a couple projects on deck so if the opportunity presented itself, we would be ready to seize that opportunity.

MR. McKEE: I clearly understand that, sir. In terms of when you look at the Pre-construction Engineering and Design funding, one of the things that you are doing is you move ahead with that type of work is you are making that project shovel-ready; however, if a project is not competitive and is not likely to receive funding in the very near future, by investing millions of dollars in PED funds, you essentially could be wasting some of that because some of the work may need to be redone, particularly when you are looking at re-doing cost estimates or re-evaluating economic benefits.

Hopefully, a lot of the engineering work in terms of geophysical investigations would not need to be redone, but there is a concern with spending money for projects that would not be going anywhere in the very near term. It is a balancing act to try to do that, to have things shovel-ready as well as not to waste federal dollars, and ultimately in terms of PED funds, while the Inland Waterways Trust Fund does not fund that effort upfront, it is fully funded out of the general Treasury upfront.

When and if that project goes to construction, at that point in time, the PED costs are shared 50/50. There is a reimbursement from the Inland Waterways Trust Fund for 50 percent of those costs, and we are trying to look out for the Trust Fund dollars as well as the general Treasury dollars.

MR. WOODRUFF: We appreciate that, and I think most of us feel like that is a good investment of our Trust Fund dollars to be ready to go on these projects that we say are high priority projects for the nation.

MR. McKEE: Understood sir. I am going to move off this slide since we have discussed most of it on there, certainly under construction, "Continuing Contracts." The only one that we have got is Olmsted.

"Completions." Completions, if you were going to complete a project in the fiscal year that you are budgeting, you are not bound by the 2.5 BCR guideline at 7 percent.

As we get closer to project completion, if you are budgeting for completion of that project in the fiscal year, you are not bound by the 2.5 BCR guideline, but the BCR needs to be above 1.0 at 7 percent, and we have budgeting as well as advocating work plan funds in accordance the 2010 IMTS Capital Projects Business Model report as is shown there.

Moving on to the next slide, "Operations and Maintenance", the majority of our funds are being placed on high commercial use projects. Those projects are defined as those that are carry more than 3 billion ton-miles of commerce on the inland waterways system and more than 10 million tons on the coastal waterways.

It is risk based. It is based on an assessment of operational conditions. It is based on the consequences of failure and therefore the risks of that particular project that you are focusing on.

For low commercial use projects, you see a number of the factors that we have listed there including “Critical Harbors of Refuge”, “National Defense”, “Commercial Fishing”, “Public Transportation”, “Energy Supply” and “Support of U.S. Coast Guard Search and Rescue Operations.”

Moving on to the next slide “President’s Budgets.” Just as a general overview, you can see over the last eight or nine years where we have been, and you see on the left side of the slide, the President’s budget request for coastal, then inland, then the total navigation program as compared with the overall Civil Works' total budget request that you see there and what percentage in terms of the total budget that the navigation program makes up in the overall Civil Works program.

You can see a slight drop in the FY ‘17 budget request below the FY ‘16 budget request. These are the budget numbers that are provided in the President's annual budget. You will see, for instance, in FY ‘13, there was actually more provided in the President's Budget than what we actually got from the Congress due to sequestration, but in FY '14, FY '15 and FY ‘16, there were significant bumps up over \$300 million in FY '14, over \$500 million in FY '15, and over \$600 million in FY ‘16 that the Congress did provide. The actual dollars we have to expend are higher based on the actual appropriations.

You will see just for the navigation program itself how this split out in terms of Investigations, those are the funds, the money that are put towards the Feasibility studies and the PED funds, the Construction account, the Operations and Maintenance account, the Mississippi River and Tributaries account, and then the total amount which matches the figure on a previous slide.

You can see the focus is on Operations and Maintenance activities. The Construction program has been constrained until recently because of the availability of Inland Waterways Trust Fund dollars. Now with WRRDA 2014 reducing the Olmsted project cost share to 15 percent, the increase in the Inland Waterways Fuel Tax from 20 to 29 cents has provided additional Trust Fund dollars. That is no longer a constraint, at least in the current years.

CHAIRMAN HETTEL: Jeff, on the previous slide, you reference \$348 million in the President's Budget for navigation. Does that include coastal and inland?

MR. McKEE: Yes sir. This includes everything on this slide.

CHAIRMAN HETTEL: Okay. Thank you.

MR. McKEE: The total amount requested for navigation is \$1.934 billion, the figure you see in the far right column.

I will skip over the next slide which is concerned with the budget request for coastal navigation projects. We don't have as much interest in those types of projects at this meeting, but I am sure you are still interested in seeing the proposed budget figures because it is important to you due to the amount of commodities that are imported through our coastal ports and harbors as well as those commodities being exported overseas or shipped across regions going through our coastal ports and harbors, but the focus of this Board is on the inland waterways side.

On this slide you can see the amount of the budget request for the Investigations account set at \$8 million, the budget request for the Construction account set at \$243 construction, the budget request for the Operations and Maintenance account set at \$631 million, and the budget request for the Mississippi River and Tributaries account set at \$34 million. The total FY '17 budget request for inland waterways related projects is \$917 million.

MR. HETTEL: Jeff, on that slide, we know the President requested \$225 million to continue construction activities at the Olmsted Locks and Dam project. On your slide you reference \$243 million. Where is the additional money going to be spent, do you know?

MR. McKEE: Yes sir. We have things like \$12 million to complete the Atlantic Intracoastal Waterway Bridge at Deep Creek, Virginia in there.

CHAIRMAN HETTEL: But that is not a Trust Fund cost shared project, is it?

MR. McKEE: No sir, it is not a Trust Fund cost shared project. You see on the slide both Trust Fund, and all of these reflect Trust Fund as well as non-Trust Fund projects.

CHAIRMAN HETTEL: Okay. Thank you.

MR. McKEE: Next slide. In terms of what is happening with the FY '16 appropriations, you see \$11 million was provided for the Investigations account, \$5 million of which was provided for inland waterways related projects.

Construction account appropriations are a little bit different this year. Instead of providing a total amount to be used for inland waterways construction, the Congress provided an Inland Waterways Trust Fund amount of \$55 million, and then the general Treasury share had to come out of the general navigation appropriations amount of \$211 million that you see there on the slide.

The \$55 million that was appropriated was fully allocated this year for increases at Olmsted Locks and Dam, Kentucky Lock and Dam, the Lower Monongahela River Locks and Dams 2, 3, and 4 project, and the Chickamauga Lock and Dam project.

That brings the total to \$55 million plus the \$53 million that was included in the President's FY 2016 Budget, a total of \$108 million that would be expended from the Inland Waterways Trust Fund in Fiscal Year '16. The anticipated balance in the Inland Waterways Trust Fund at the end of this fiscal year, based on the receipt of \$107 million based on the Department of Treasury's projection, will leave us a balance in the Trust Fund at the end of the fiscal year of \$53 million.

And at the bottom of the slide you see FY '16 appropriations for Mississippi River and Tributaries, Operations and Maintenance dredging, \$8 million provided.

Moving on to the next slide, the Operations and Maintenance account, you see some funding in the general navigation pot for inland waterways. You see "Inland Waterways" received \$45 million, which is strictly inland waterways, and you will see some inland waterways, some of the low commercial use inland waterways being funded out of the "Small, Remote or Subsistence" pot along with coastal projects.

On the next slide, you see the FY '16 Omnibus funding bill added a total of about \$684 million to the President's budget for navigation related activities. For the overall navigation program, you can see by account the additional funding and the total navigation program amount of \$2.618 billion for Fiscal Year 2016.

On the next slide you can see some of the specific activities that the additional funds in the Investigations account allows for including a new start for the Gulf Intracoastal Waterway - Brazos River Floodgates and Colorado River Locks. This study will look at replacing those locks with something that is more efficient, larger, and much easier to navigate.

When we were down in Galveston, we took a field trip to the Brazos River Floodgates to see some of the navigation difficulties that the navigation industry is experiencing. This is a new start in FY '16 and it continues with funding in the President's FY '17 Budget.

Next are the Construction account projects and the amounts of money that was added to each project. You can see the amounts that were included in the President's FY '16 budget and then the increases in funding in the FY '16 work plan to arrive at a total amount that is provided in the work plan for each of the projects.

For Olmsted Lock and Dam, you see the \$180 million that was requested in the President's FY '16 budget plus an additional \$88 million added in the work plan for a total of \$268 million. For the Lower Monongahela River, Locks and Dams 2, 3, and 4, you see the \$52 million that was requested in the President's budget and the additional \$6.9 million that was added in the work plan for a total of \$58.9 million. For Kentucky Lock and Dam, the work plan added \$45.4 million. For Chickamauga Lock and Dam, the work plan added \$29.9 million, and for Lockport Lock and Dam, the work plan added \$1.4 million.

Lockport Lock and Dam is a major rehabilitation project. We fully funded this a few years ago, but we had some contract overruns, which is what that \$1.4 million will address.

You see only a single number for those projects because they weren't included in the FY '16 Budget.

Little bit further down the slide you can see \$10 million included in the FY '16 work plan for the start of construction in FY '16 of the Atlantic Intracoastal Waterway Bridges at Deep Creek, VA. Twenty (20) million dollars are to be contributed by the non-federal sponsor and \$12 million to complete the project was included in the President's FY '17 budget.

An additional \$68 million was included in the FY '16 work plan for Operations and Maintenance projects on inland waterways projects and \$8 million was added in the FY '16 work plan for Operations and Maintenance dredging activities for Mississippi River and Tributaries projects.

Moving to the next slide, in the President's FY '17 Budget, the \$8 million that was included for Investigations account included funds to continue the Three Rivers Feasibility Study on the McClellan Kerr Arkansas Navigation System, funds to continue the Inner Harbor Navigation Canal Lock re-evaluation study, and the continuation of the Gulf Intracoastal Waterway – Brazos River and the Colorado River Locks new start study.

With respect to the Construction account, the President's FY '17 Budget includes \$225 million for continuation of construction activities at the Olmsted Locks and Dam project and \$12 million to complete the construction of the Atlantic Intracoastal Waterway Bridges at Deep Creek, Va.

With respect to the Operations and Maintenance account, the FY '17 Budget includes about \$645 million, including the Mississippi River and Tributaries projects, with the focus of the Operations and Maintenance funding going towards high commercial use waterways including the Mississippi River, the Ohio River, the Gulf Intracoastal Waterway, the Illinois Waterway, the Tennessee River and the Black Warrior and Tombigbee Waterway.

CHAIRMAN HETTEL: Jeff, one quick question on the provision of funds for the AIWW Deep Creek Bridge of \$12 million. Was there a BCR on that project?

MR. McKEE: Yes sir, there was. The BCR is about 2.6 at 7 percent.

CHAIRMAN HETTEL: Okay. Thank you.

MR. McKEE: Sorry to disappoint you.

CHAIRMAN HETTEL: Just asking, my friend. Just asking.

MR. McKEE: The AIWW Bridge at Deep Creek, Virginia is a bridge located in Chesapeake, Virginia, which crosses the Atlantic Intracoastal Waterway and serves as a

hurricane evacuation route as well as carries a lot of traffic on Route 17, which is an important route in the Commonwealth of Virginia.

That concludes my presentation, subject to your comments or questions.

Yes, Mr. Woodruff.

MR. WOODRUFF: I have a question that relates to this year's work plan and it concerns the Inner Harbor Navigation Canal Lock and the plan to dewater it. I think you are aware that we have received information from the district recently that they plan to move ahead with that project without doing the dredging necessary to allow tows to bypass via Bayou Baptiste Collette and Chandeleur Sound to get east from New Orleans.

As I think you know, that is the only way -- right now the Inner Harbor Navigation Canal is the only way you can on east on the Gulf Intracoastal Waterway from the Mississippi River.

Bayou Baptiste Collette and Chandeleur Sound is a fair weather route, but it is an alternative route to keep commerce moving. The thought that route might not be provided is a huge problem for the people who rely on that waterway. I have heard since then, and I am hoping you can confirm that you won't close the Inner Harbor Navigation Canal Lock for that dewatering project unless that alternative route is made navigable through dredging Bayou Baptiste Collette. Am I correct in that sir?

MR. McKEE: That is correct, sir. That is the Corps of Engineers position on this. The dewatering of the Inner Harbor Navigation Canal Lock is dependent upon the river stage at the gauge getting down to an elevation of six feet. If we don't achieve that, there will not be any dewatering. If we achieve that and we were to move forward with the dewatering, we are working on providing the additional funds that would be required to dredge Bayou Baptiste Collette.

We have \$1.5 million in the work plan. There is about an additional \$3 million to \$3.5 million that is required, and we are working on providing those additional funds to make sure that we will have an alternative route. If for some reason that we cannot provide an alternative route, we will not do the dewatering of the Inner Harbor Navigation Canal Lock this year.

MR. WOODRUFF: On behalf of all the people and facilities who depend on that waterway, thank you for that policy decision.

CHAIRMAN HETTEL: Vice Chairman Woodruff, just to confirm, and that certainly -- we appreciate that, Jeff. It is the timing of when you tell us whether or not the Inner Harbor Navigation Canal Lock is going to be closed for repairs. We have some shippers around this table and that it is critical, and I don't know that May 31st is the best time frame for them. The sooner you can tell us, the better, on which way you are going, is my point.

MR. McKEE: We fully understand that sir. The issue is that we need to get down to an elevation of 6 feet on the gauge. We are at about 15 feet currently. It is forecasted to come down, but depending on what happens with any storms, any runoff this spring is going to control how quickly that gauge gets back down to 6 feet and when we can actually start the dewatering operation. We will do the best we can in terms of forecasting that and certainly let the Board know as soon as we can.

Are there any other questions?

MR. INNIS: The decision will be made no later than May 31st; is that correct?

MR. McKEE: We will get you the best decision we can by the 31st of May.

Any other questions? Thank you.

MR. POINTON: Thanks, Jeff. Just as a reminder, Rob was just reminded by the court reporter, so please identify ourselves and speak into the microphone so we can have a proper recording of the meeting.

With that, I will call on Mr. Joseph Aldridge, who will give us an update on the status of the Inland Waterways Trust Fund and the Inland Waterways Trust Fund supported projects. I should note that we are a bit behind schedule, but not too bad, so your break is probably going to be cut in half.

MR. JOSEPH W. ALDRIDGE: Good morning, Chairman Hettel, Major General Jackson, Board members, distinguished visitors and guests.

I am Joseph Aldridge. I am the Inland Waterways Trust Fund Account Manager, and it is a pleasure to be here today to provide you with an update on the status of the Inland Waterways Trust and project summaries.

I will be reading from the slides from top to bottom and from left to right, and the changes from the previous Board meeting will be shown in red.

Moving to the next slide, I will start off with the status of the Inland Waterways Trust Fund. There was a carryover of \$54 million into FY '16 from the end of FY '15. The amount of fuel tax receipts collected and interest earned year-to-date beginning October 1, 2015 through the end of February 2016, as of the 29th of February is \$47,658,289.

That brings the current amount of money available in the Trust Fund balance to almost \$102 million.

As Mr. McKee mentioned earlier, the anticipated revenue to be deposited in the Trust Fund is \$107 million this year, we are projecting to expend \$108 million this year, which will result in a carryover of \$53 million into FY '17.

CHAIRMAN HETTEL: Joe, just a quick question on the estimate of the amount of FY '16 fuel tax revenue to be generated, the \$47.608 million that you show on your slide. If my math is correct, if you divide the \$47.608 million by five months, it results in about \$9.54 million a month, and if you take that number and multiply it times 12 months equals \$114 million.

MR. ALDRIDGE: We use the projected amount from the Department of the Treasury. Jeff, you want to add anything?

MR. McKEE: The projections that we carry are those that are put forth by the U.S. Treasury, and we rely on their projections, and they are projecting revenues for Fiscal Year '16 at \$107 million. Of course, they are projections. We will see what comes out at the end of the fiscal year. Certainly, if we get the \$114 million, there would be more funds in the Trust Fund, but --

CHAIRMAN HETTEL: I think the point that I'm making is the \$107 million that the Treasury is projecting, we are ahead of that pace already, and we have estimated with the increase in the fuel tax to be about \$116 million going forward. If you were to average it out through the 12 months, we are \$114.43 million. I think it will be better than the \$107 million.

MR. ALDRIDGE: Thank you. This next slide shows the five year trend in Trust Fund revenues. It covers the previous four years and the current year. It gives you a five year look at the fund and the revenues and the cumulative total by month.

The green bars you see for October, November, December, January and February represent FY '16, and that shows that the bars are quite higher because of the 9 cent increase in the fuel tax that went into effect on April 1<sup>st</sup> of last year, and you will see starting in April by the red that was last year, and that is going to start collecting in FY '15, the 9 cent increase in the fuel tax, and you will see a large difference there. We are getting a large build up in the Inland Waterways Trust Fund.

The next slide shows the last three months (December, January and February) for comparison, and this give you a larger visual presentation of the difference from FY '16 all the way back to FY '11.

The next slide shows the layout of funding allocations by project from FY '12 to the current fiscal and the projected allocation from the President's Budget for FY '17. The slide shows the projects listed, the President's Budget amount and the total allocations made by that fiscal year. You will see that the project total allocation for the current fiscal year is \$108 million.

The next slide shows the project updates. I am going to start with the three projects in the Mississippi Valley Division – Lockport, Inner Harbor Navigation Canal Lock, and Mississippi River Lock and Dam 27 Major Rehabilitation.



Next slide. First up is the Lockport Pool Major Rehabilitation project on the Illinois Waterway. Changes since the last Board meeting, the Lockport project received \$1.4 million in the FY '16 work plan. The Mississippi Valley Division added another \$300,000 for a total allocation of \$1.7 million.

With respect to changes at the Lockport project, you will see in the box in the middle of the slide, the project schedule was accelerated so that the project is projected to be completed in December 2016. Due to good weather this year, the construction season was extended and that allowed us to shift the schedule to the left. The project was expected to be completed later in fiscal year 2017 is now expected to be completed earlier in the fiscal year, in December 2016.

As Mr. McKee mentioned earlier, additional funds were required for the project. The access bridge was not at the capacity as projected and/or portrayed, and modifications to the contract were required as is shown in the box in the middle of the slide.

You can see in the lower left hand side of the slide the box titled "Funding Overview" which provides information on the original authorized cost of the project and other pertinent information concerning the financials associated with the project.

The next slide shows the Schedule of Remaining Work. As I mentioned previously, the completion date of the project has shifted to the left, to December of 2016.

Next slide. The next project is the Inner Harbor Navigation Canal Lock. Again, in the lower left hand side of the slide is a box titled "Funding Overview" which provides information on the original authorized cost of the project and other pertinent information concerning the financials associated with the project.

In the box on the right hand side of the slide titled "Current Status", the Corps is performing a review of the interim project accounting and conducting the General Re-evaluation Report on the lock replacement.

On the next slide, you see there no changes on the schedule slide.

Next slide. This slide is Locks and Dam 27 Major Rehabilitation on the Mississippi River. There were no changes in the financials associated with the project. There was a correction made to properly reflect that the close out date of the 28<sup>th</sup> of April 2016 is in the third quarter of the fiscal year and not in the second quarter as was shown on the slides at the last Board meeting. In the lower left hand side of the slide is a box titled "Funding Overview" which provides information on the original authorized cost of the project and other pertinent information concerning the financials associated with the project.

On the next slide, you see there no changes in the project schedule.

Next slide. We move on to the update of the projects in the Great Lakes and Ohio River Division. There are five projects that I will cover. I am not going into depth on the Olmsted Locks and Dam and Lower Monongahela River projects. As at previous Board meetings, in depth updates of those projects will be provided by Mr. David Dale later this morning.

Next slide. This is the Olmsted Locks and Dam project on the Ohio River. As Mr. McKee reported earlier, we have \$268 million that was allocated for this project this year. It is in the FY '17 Budget for \$225 million. If you have any specific questions related to the Olmsted project, please going ahead and ask, but Mr. David Dale will cover this project and the Lower Monongahela River in greater detail a bit later.

The next slide shows the project schedule, and the update as to the project schedule will be covered by Mr. David Dale.

The next slide shows the Lower Monongahela River Locks and Dams 2, 3, and 4 project. The project was allocated \$58.9 million this fiscal year. The \$6.9 million change is the difference between the \$52 million that was included in the President's FY '16 Budget and the additional \$6.9 million that was included in the FY '16 work plan. Again, Mr. Dale will cover this project in greater depth in a little bit.

The next slide shows the project schedule, and Mr. Dale will discuss any changes to the project schedule.

Moving on to the next slide, Emsworth Locks and Dam on the Ohio River. There were no additional funds for this project included in the work plan so there are no changes in the financial data provided at the top portion of the slide. The only change in the slide is that the project is scheduled to be fiscally completed in FY '17.

The next slide is Kentucky Lock and Dam, Tennessee River. This project was allocated \$45.4 million this fiscal year. The FY '16 allocation is being used to award the Downstream Cofferdam contract.

The box titled "Funding Overview" contains information on the original authorized cost of the project and other pertinent information concerning the financials of the project. The Engineering and Design Cost and Supervision and Administration Cost figures have been updated to include FY '15 costs.

The current status of the project was updated to reflect the Upstream Lock Monolith contract is 95 percent completed. The contract was modified in September 2015 to install the upstream miter gates.

The next steps are to complete the installation of the upstream miter gates, award the downstream cofferdam contract by 30 September 2016, complete the update of the risk-based Total Project Cost Estimate, and initiate the update of the economic analysis of the project.

The next slide shows the schedule for the project. You will see that contract award dates and construction completion dates have been identified for Task 4 (Downstream Cofferdam), Task 5 (Downstream Lock Excavation), Task 6 (Downstream Lock) and Task 7 (Approach Walls).

The next slide is Chickamauga Lock and Dam on the Tennessee River. The project was allocated \$29.9 million in the FY '16 work plan.

The box in the middle of the slide titled "Funding Overview" contains information on the original authorized cost of the project and other pertinent information concerning the financials of the project. The Engineering and Design Cost and Supervision and Administration Cost figures have been updated to include FY '15 costs.

The current status of the project is shown in the box in the lower left of the slide. The Cofferdam Stabilization construction contract was awarded in September 2015. The contract is to be substantially completed in August 2016. The update of the risk-based Total Project Cost Estimate is scheduled to be completed in May 2016. The Level 3 Economic Update is scheduled to be completed in July 2016.

The box in the lower right hand corner of the slide titled "Next Steps" shows the next activities associated with the project. The Lock Excavation construction contract is scheduled to be awarded in September 2016 and the Post Authorization Change Report is scheduled to be submitted to Headquarters in the August/ September 2016 time frame.

Moving to the next slide, you see the schedule of activities for the project. You will see that contract award dates and construction completion dates have been identified for Task 3 (Lock Excavation), Task 4 (Lock Concrete), Task 5 (Approach Walls), and Task 6 (Site Work and Decommissioning of the Existing Lock).

Subject to your questions, that completes my update.

**CHAIRMAN HETTEL:** In an effort to save time Joe, I am going to run through some numbers. As you are aware, at our December Board meeting, we were given estimates of the capability funding required through the end of construction for these four projects. I am going to run through these numbers, and then ask a question at the end.

Take Olmsted Locks and Dam for an example, you are referencing \$963 million to complete. We were given \$725 million. That is a difference of about \$238 million.

For the Lower Mon project, you are referencing \$474.5 million to complete. The capability funding number is \$439 million. That is a difference of about \$35.5 million less.

For the Kentucky Lock project, you show almost \$398 million. We were given capability funding numbers of \$331.4 million. That is \$66.6 million lower.

And for the Chickamauga Lock and Dam project, you are showing a number of \$1.09 billion to complete. The capability number that we were given was \$630 million, a whopping \$379 million less.

My question is, "Where is the disconnect?" What is -- explain to the Board why there are two different numbers here because we are working towards getting the Corps the capability funding numbers to complete these projects as efficiently and quickly as possible, but yet your numbers reflect almost \$700 million more.

MR. ALDRIDGE: Mr. Dale, did you want to respond to that?

MR. DAVID F. DALE: This is David Dale. Mr. Chairman, the difference is what Joe is reporting is the fully funded amount that takes you to the complete end. What we produced, the numbers that I gave out at the last Users Board meeting do not include all of the risks that are factored into Joe's numbers. It could be that much if we went for the fully authorized amount, but I do not think we are going to get there.

For example, specifically on the Olmsted project, we have reported that we will deliver the Olmsted project under the \$3.1 billion total project cost figure. When we go to the team and ask them to get Joe his information, they are projecting what it takes to get from where we are at today to that \$3.1 billion figure, what it would take to get to that amount.

When you asked me, what I would need for the capability funding to efficiently deliver the projects, I gave you what I think I need to get from here to the end based on realistically what I think is going to occur.

It is not that you got the wrong numbers. They are just kind of answers to different questions, and we can certainly adapt the slides if it better serves the Board, but right now that is the difference.

MAJOR GENERAL JACKSON: My only question, Eddie, is to our team is what we do not need is a bunch of different numbers that are floating around out on different slides. Somehow or another we just need to figure how to present the numbers in a consistent way because it can be really confusing to understand all the calculations that go on behind what Joe just briefed. Listening to what Dave just explained, I think we need to tighten that up. I am not sure how to do it, but I think it needs to be done.

MR. ALDRIDGE: What we will do is just ask the same question. That is what happened. I asked a specific question of what the anticipated cost is going to be, and then David Dale, he has more defined the proper funding, what is the capability. What we do is we will synchronize the question and the proper response.

MAJOR GENERAL JACKSON: My fear is that everybody -- let's say that Congress has one number. OMB has one number. We have one number. The Users Board has one number. We don't know what questions were asked to get to that number. We just see it on a

slide or on a report or something that says this is the number. Then when we all come together, it looks as though we don't have our act together somehow, when in fact we do, and it goes back to the question, but we just need to figure out how to simplify that to some degree so that it is not confusing.

MR. ALDRIDGE: Mr. Dale and I will get together.

MR. McKEE: Sir, this is Jeff McKee. I think what we could do is add a column, and we can use the official numbers that show a fully funded cost estimate and the balance to complete based on that estimate and then also show what the balance to complete would be if we got efficient funding through what we think would be the rest of the life of the project and that would take out some of those inflation and contingency factors.

MAJOR GENERAL JACKSON: I think that would work, and I think we would need to use that same approach, like synchronizing our message. When we show numbers, it is a message. To the extent that we can simplify and clarify so there is no confusion – that there is no room for misunderstanding, no margin of error, and then use the same charts for all different purposes, I think we will be better off and it will alleviate confusion. Mr. Chairman, I appreciate you bringing that up because I think it is something that we can work to improve.

MR. WOODRUFF: This is Matt Woodruff. I think what Mr. McKee said is very vital. It is not necessarily wrong or bad that we have multiple numbers because there are different answers to different questions. It is just a matter of making sure when we put together those numbers, we say which number it is, because I think it is valuable as a Board member to know all the different numbers based on the different assumptions that go into developing the numbers. I don't want fewer numbers. I simply want more clarity as to which number is addressing which question.

MAJOR GENERAL JACKSON: I think that is what we are talking about, but it needs to be a consistent use of that number array and however it is we come up with those numbers. If we communicate what it is that we are doing or can do or what have you, then those things are clear, and you don't have one number and somebody else has another number. We all think we have the same target, but in fact we don't.

MR. McKEE: Yes, sir. I totally agree.

CHAIRMAN HETTEL: Thank you Vice Chairman Woodruff. To that point, General, I appreciate you trying to get the clarity because if I am a Congressman, and I am looking at your report and we are reporting in our Annual Report different numbers, he has got to be scratching his head and saying what is the right number because he doesn't know what questions that you are asking. I think that is another important reason to get the clarity so that when we go to Congress and say these are the numbers for capability funding, they understand the difference between your numbers and what we are reporting.

Thank you.

MAJOR GENERAL JACKSON: Thank you Mr. Hettel.

MR. POINTON: Are there any other questions for Mr. Aldridge? Hearing none, next on the program will be Mr. Belk who will give us an update on the Capital Investment Strategy. Eddie?

MR. BELK: Thanks, Mark. Chairman Hettel, with your indulgence, I will be conducting this briefing from my chair instead of getting up at the podium.

I am really pleased to report that the Administration has cleared and last Friday Secretary Darcy transmitted the Capital Improvement Strategy to the Congress in accordance with Water Resources Reform and Development Act of 2014.

I want to spend a minute and walk you through some of the assumptions that underscore the report and its contents. I will highlight some of the scenarios that were used to frame the investments options over the next 20 years, and then I and of course some of the team are available then to take questions.

The Capital Investment Strategy is a 20-year strategy that lays out our approach and your approach for making investments in the Inland Marine Transportation System. It addresses both construction and major rehabilitation priorities.

It differs from the 2010 Capital Project Business Model report, in that we are employing some tools and some management practices that we have in place today that were not available to us or were not sufficiently mature in 2010.

Specifically we are applying asset management principles across the portfolio to derive a risk informed prioritization of and across our system.

What that means is we look at, for example, locks. We look at the conditions of those locks and major components of those locks. We couple that with the consequences of failure or loss of that lock, and then the combination of the condition of the lock with the consequences of failure of the lock provides a sort of risk quotient that we use to determine what is number one, what is the last and everything in between across the portfolio in a uniform way and in a nationally consistent way.

That is a primary difference that you see or you will see in the Capital Investment Strategy that we have employed in order to respond to the Congressional direction to lay out some objective national approaches to the setting those priorities.

The Capital Investment Strategy does take into account some of the changes that were incorporated in WRRDA '14. For example, it incorporates the fact that the Olmsted Lock and Dam funding formula changed to 85 percent from the general Treasury and 15 percent from the Inland Waterways Trust Fund. That is incorporated into the CIS report.

The CIS report increased the major rehabilitation threshold to \$20 million, and we have incorporated the provisions of the ABLE Act, which increased the fuel tax from 20 cents per gallon to 29 cents per gallon and that became effective one year ago today in fact. All of that is incorporated into what you see in the Capital Investment Strategy.

Out year revenue projections in the Inland Waterways Trust Fund are derived from the U.S. Department of Treasury estimates, and we talked a little about that earlier.

The report also incorporates, and as I said earlier, three different scenarios that help band the art of possible in terms of investments over the next 20 years.

The first scenario is called our “Baseline Scenario.” It reflects typically what you see and what you would expect to see in the President's Budget. The baseline scenario reflects \$4.88 billion in investment over the next 20 years. Of that \$4.88 billion, about \$638 million would be applied to major rehabilitation projects, and the balance would go to construction, new construction projects.

The second scenario that is presented in the report is called the “Annual Allocations” scenario, and that scenario reflects what we have seen from the Congress in recent years. The trend has been that the Congress has added additional investment levels to the portfolio, and that scenario reflects about \$4.94 billion in investment over the next 20 years. Of that amount, about \$636 million is applied to major rehabilitation projects with the balance going to new construction projects.

The third scenario is called the “Maximized Inland Waterways Trust Fund” scenario, and that scenario reflects an investment level that fully utilizes the Inland Waterways Trust Fund. The scenario assumes that general Treasury has revenues to match those dollars that are in the Inland Waterways Trust Fund. The scenario reflects some \$4.94 billion in investments over the next 20 years, and of that, about \$637 million would be applied to major rehabilitation projects with the balance going to new construction projects.

If you look at the projects that are reflected in the CIS, you will see that the top four projects that this Board has as their top priority projects are the same four projects identified in the Capital Investment Strategy. Those projects are the Olmsted Locks and Dam project, the Lower Monongahela River Locks and Dams 2, 3, and 4 project, the Kentucky Lock Addition project, and the Chickamauga Lock project, and you will see those in the strategy.

One detail that you will observe is that the detailed allocation for that risk-informed investment go out five years, and beyond that, it is not at project level. The dollars are more at the program level in order to provide flexibility to account for changes over time as new information becomes available and new priorities perhaps emerge that provides that flexibility.

It is also important to underscore for the Board that this strategy is not a “fire and forget” strategy. This is a snapshot as of today. We will be with this Board looking at the

appropriate annual prioritization that makes sense, and what I am suggesting is that what is in the report certainly suggests risk-informed priorities and what we should be looking at, and we will revisit that with you every year as things changes, as conditions change, and as investment levels change.

With that, I will stop and entertain any questions that the Board may have. We did make the report available to you earlier this week since it had been transmitted to Congress and it is in their hands and we did make that available to you.

We have a couple of extra copies, and people at the table I believe got hard copies. We have a couple, two or three extra copies, for members of the audience if you are interested, but I will stop there and entertain any questions you may have.

MR. MECKLENBORG: Mr. Belk, this is Dan Mecklenborg. I just was surprised that the difference in the total investment over 20 years under the three scenarios is fairly close. There is not that great of a difference it doesn't appear. Is that just the mathematical result, or it just seems like there would be a larger difference?

MR. BELK: Strictly the dollars are -- again, I laid out the numbers and they are fairly close, to the extent that you know \$150 million is close.

MR. MECKLENBORG: The report says the "Baseline Scenario" represents a \$4.9 billion program over the next 20 years, and the "Annual Allocation" scenario represents a \$4.9 billion program over the next 20 years, and the "Maximized IWTF" scenario represents a \$4.9 billion program. It is just something that it seems not differentiated very much.

MR. BELK: I think one of the things that isn't apparent by the numbers, to respond to your question is that under -- for example, the "Maximized Inland Waterways Trust Fund" scenario, we will see the risk brought down faster, and you will see a more robust approach to buying down risk under that scenario. It doesn't necessarily show up in the dollars, but it will show up when we put things on line and when things actually start generating benefits on the other end of either the construction project or the rehabilitation project. It is not apparent in the numbers, but that is one of the values of that particular scenario over the other two.

Jeff, do you have anything that you want to add to that?

MR. McKEE: I would just say, sir, that the \$4.9 billion is rounded. It goes from \$4.877 billion up to \$4.941 billion. So there is \$75 million in actual difference.

The one thing that you will notice is that again all three scenarios use the U.S. Treasury's projections in terms of the revenues from the Inland Waterways Trust Fund, which is different than I think what the Board had requested be put in there. As Chairman Hettel indicated earlier, the Board's projections of annual Trust Fund receipts are a little bit higher than what the Treasury's projections are. That was a difference that came out in the end.



MR. WOODRUFF: Mr. Belk, this is Matt Woodruff, and perhaps this is a comment more than a question. You started your remarks with a comparison between this product and the Capital Projects Business Model report from 2010, which a lot of us are familiar with.

I was perhaps one of the few people sitting around this table, who was part of the team that put that 2010 report together, I would like to offer not just for my fellow Board members, but those who follow the Board, some perspective on the difference.

First of all, thank you for getting this to us. We just got it a couple of days ago. I have not yet had an opportunity to study it, and so I cannot make any substantive comments on it, but I think the difference, as I see it, is just that.

The original 2010 Capital Projects Business Model report was developed by a group of members of this Board working with the Corps of Engineers every step of the way through the development of the report, through the writing of the report.

When we came to the Users Board meeting following the issuance of that report, we knew what every word in it was, and so I have no idea what is in this report.

Again one of the things that struck me when we got into this process for this new report is what a difference a few words can make. Because when I heard that WRRDA '14 had passed and that Congress had directed that we update the Capital Investment Strategy, I envisioned a process very similar to that process that we went through leading up to the 2010 report, and then somebody pointed out the language, which is put on page Roman Numeral 'IX' in the Executive Summary in the authority language, and it said that Congress, "*directed the Secretary of the Army in coordination with the Users Board to develop and submit to Congress this report.*"

It didn't say -- I said, "Okay, well we need to work together to do this" and somebody quickly said, "No, we will consult with you, but it's our report." That is what Congress directed. I wish Congress had said "directed" and inserted an "and" so that the Congressional directive had read, "directed the Secretary of the Army and the Users Board develop a report", but that is not what the words were in the authorization, and thus certainly the Secretary of the Army did as Congress instructed and authorized.

We were consulted. We had some meetings. I guess the last one perhaps about a year ago where we talked about some of our views, but then ultimately the Secretary of the Army went back and drafted this report.

For those out in the navigation community, for our fellow navigation stakeholders, I think it is important that they recognize that the 2010 report was put together in a certain way as a collaborative report.

This is the report of the Assistant Secretary of the Army, for which we were consulted as directed by Congress, but it does not recognize our work product.

MR. BELK: Thank you, Mr. Woodruff. I would just submit that the input by your industry is crucial. This is a team sport, and so the investment priorities and the approach to investment need to be synchronized because the Corps does not do anything by itself, and I appreciate your remarks and feedback.

MR. WOODRUFF: We appreciate your listening to our input, and we will certainly will be studying every page of this report and give you our comments in due course.

MR. McKEE: This is Jeff McKee. Sir, in response to your question. The premise of developing the two reports was considerably different. We worked with the Users Board to produce the 2010 report and that was in response to a request from the Users Board for that information.

When that information was provided, it was clear that that report did not represent the views and the positions of the Administration or the Users Board for that matter and that was clear in there, but that was provided to the Board, and it contained a lot more information, things that the Users Board wanted to see in there.

It was very clear in WRRDA 2014 that this was to be a report that was to be submitted by the Secretary of the Army, and therefore this report must reflect the views of the Administration in the submission of that report. That is why there is a big difference in the reports.

MR. WOODRUFF: Yes, sir, and that is the point. You made it far more articulately than I did when I attempted to do so. I think it is important that the broader community understands the difference between the two reports.

CHAIRMAN HETTEL: Mr. Belk, Mr. McKee. Just one question, Eddie, on what you discussed. You stated that the CIS as given to us utilized the Treasury Department's annual estimate of inflows into the Trust Fund. What is that number that was utilized?

MR. BELK: The number for each year or the approach that --

CHAIRMAN HETTEL: You stated that they used the Treasury Department's estimated annual inflows, what is that number? Is it \$50 million? Is it \$106 million? What is it?

MR. BELK: I will ask Mr. McKee to answer that one.

MR. McKEE: Sir, this is Jeff McKee. It is a projection that goes out 20 years, and basically starting at FY '16 the Treasury's projections were \$107 million a year and went down to \$106 million a year and then \$105 million. The projections that were forecasted were from Treasury and they changed by year. All three scenarios reflect what the Treasury projections were. At some point in time, we just flat lined it because the Treasury projections did not go out quite far enough.

CHAIRMAN HETTEL: Are you at liberty to tell me what that flat line number was?

MR. McKEE: I don't remember off the top of my head, but it is certainly in the report, and we can find that out for you.

CHAIRMAN HETTEL: Yeah, and I apologize. I have not had time to read the report in detail, but it is interesting that they continue to decline when we hear from the Maritime Administration that we are going to see a 41 percent increase in freight tonnage in this country, and the only capacity is in the inland waterways system, and you would think that number would continue grow rather than decline.

Let me finish with a comment. I know we are getting close on time. It was a great effort that the Corps and Users Board and industry got together and put this report together.

Of course, the report that we handed to the Assistant Secretary's office is quite different than what the report we got back out of her office, and I know it is her report. I think it is important to put on the record that no one on the Users Board or no one in the inland waterways industry has had any input on this report since the original document was given to the Assistant Secretary's office.

Thank you.

MR. POINTON: Are there any more questions to Mr. Belk or Mr. McKee regarding the Capital Investment Strategy report?

Thank you.

We are getting a little tight for time so Mr. Chairman I will turn it back over to you to briefly talk about the submission from the Users Board on the FY '17 Budget.

CHAIRMAN HETTEL: Thanks, Mark. General, I hope you will help me, I am going to hand out a summary of what my opening statements were. I believe there is enough for the entire group here.

As I referenced, when you look at this printout of the spreadsheet, the top line is the efficient funding numbers that we received at our December meeting. The second group of numbers are efficient funding numbers versus the President's Budget request, which does not include any funding for the Lower Monongahela project, Kentucky Lock or Chickamauga Lock, and that demonstrates the number of \$228.6 million more cost between the top set of numbers and the bottom set of numbers.

There is nothing on this spreadsheet that also includes the \$907 million of foregone benefits just for not funding the Lower Monongahela project, Kentucky Lock or Chickamauga Lock in FY '17.

Our recommendations to the President's annual budget request, while we have not completed with them yet, will certainly reflect these numbers in the differential on the cost of completion for these other three projects.

Thank you.

MR. POINTON: Any comments on Chairman Hettel's item? Mr. McKee?

MR. McKEE: Mr. Chairman, Jeff McKee. I want to point out for the record that the Lower Monongahela's numbers do reflect completion of the river chamber, but those numbers do not reflect completion of the land chamber or the relocation of the Port Perry railroad bridge which has been deferred.

CHAIRMAN HETTEL: Understood.

MR. McKEE: Since we had issues with numbers going around and seeing different numbers, I just want to make it clear that that is what reflected in those numbers.

CHAIRMAN HETTEL: Yeah, I believe both of our efficient funding numbers we got from the Corps reflect that very same thing, too. Thank you.

MR. POINTON: All right. We are at a point in the agenda that we are going to take a quick break. I would ask that everyone come back at 11:30 so we have abbreviated our break period. Please do what you have to do, and we will start promptly at 11:30. Thank you.

(Thereupon a short break was taken in the proceedings from 11:15 A.M to 11:30 A.M.)

MR. POINTON: Can you please take your seats? We are going to reconvene the meeting. Again, no one has indicated that they would like to make a public comment at the moment, so we will have one individual who will make a public comment at the end of our formal program, if you will.

Without further ado, Mr. Dale, you are up.

MR. DALE: Very good. Good morning. Again, I want to express my appreciation to the Board for giving me the opportunity to talk to you about some of the great stuff we are doing in the Great Lakes and Ohio River Division. We happen to be lucky in that we have got the top four priority projects for the Users Board, and I am blessed to be the Senior Executive responsible for those top four projects. I am glad to be here, and I look forward to future opportunities.

For the new members of the Board, I am the Director of Programs for the Great Lakes and Ohio River Division. I am a Professional Engineer, and I am a Project Management Professional, which is the result of some of the recommendations from the Users Board and that

was to make sure that when we have “mega projects” that we have highly qualified folks working on them.

The reality of it is I don't work on most of these projects. We have other highly qualified folks doing most of the work on a day-to-day basis, but they also are Professional Engineers and Project Management Professionals.

Next slide. A brief outline of my presentation, I am going to move relatively quickly because you have seen many of these slides before. The status of the project and I think you understand, so if I go too fast, just slow me down.

Next slide. Bottom line upfront on the Olmsted project which is what I am going to brief first. A key message is that it is consistent with where we have been and where we are heading. We established baselines, and we tracked the established baselines. We did that back this time last year for 2015. We achieved all of those baseline milestones that we said that we were going to do.

We actually set ourselves a stretch milestone or two, and we achieved that stretch milestone. We actually set the last Navigable Pass shell [Navigable Pass Shell number 6] this past February 1st, I believe it was, which is really good because that was really a shell that was scheduled to occur this Fiscal Year '16 low water season.

Obviously that puts us a little bit ahead of the game, which is where we like to stay. A real subtlety there is capability funding, which we are getting for Olmsted and makes a big difference and allows us to do those proactive mitigating actions to keep us ahead of schedule and under budget.

Then, you can see the 2016 plan to complete and current performance is trending to align with an operational delivery of October 2018 and we are looking very good. We are clearly on track for an early operational completion date. The Post Authorization Change Report that we produced, we said that we would deliver the project at a cost of \$3.1 billion and be completed in 2024 and be operational in 2022.

That was our baseline commitment to the Users Board and to everyone else, and we are ahead of schedule on that. We should deliver the project at a cost at least \$65 million under budget and two years ahead of schedule, which really puts us operational in 2018.

The significance of that is, just as a refresher and we haven't talked about this for a long time, but on Olmsted, we talked about the value to the nation, and we try to quantify that. One way that we do that is by computing the National Economic Development, or NED benefits. The National Economic Development benefits associated with the Olmsted Locks and Dam project is about \$640 million a year. The project is two years ahead of schedule. That means we are going to get \$1.2 billion in National Economic Development benefits that we would not have gotten otherwise, and we are going to save \$65 million in project costs.

The next slide shows a diagram of the status of the project. We are currently working in the river placing Navigable Pass shells, and I will talk a little about that in a bit and give you a sense of what is required when we are placing Navigable Pass shells in this portion of the river. We have completed the placement of the grout mat. It is a phase of the construction of the Navigable Pass shells, that we put down a mat of grout on the river bottom to protect the excavation. We have completed the grout mat across the river now so it is really a dam that is nearing completion. That is a really good news story.

In the tainter gate section of the dam over here, we have two tainter gates hung, and are moving forward on tainter gates three and four which are scheduled to be delivered on site on June 30th and September 30<sup>th</sup> respectively.

In the lock chamber area over here, we are doing some work in the existing lock chamber to dewater it and to make sure that it is ready and operational in 2018.

On the next slide you can see a few photos of the various activities underway at the project site. Photo number 1 shows the first commercial lockage through Olmsted. This was a significant accomplishment.

The reality of it, the tow went through, it helped us do some advanced planning, and we have been working closely with the industry to coordinate some of the river outages that are possible. As we move further and further across the river, we impinge on the navigation channel. We require the navigation users to accommodate that and we move the channel around, and there are certain times when the river itself will be shutdown with the exception of passing through the lock, not actually locking through the lock because there is no pool there, but actually passing through the lock chamber, and that is what we were doing just to make sure that we were all comfortable with that approach.

In the next photo, photo 2, you see the lock chamber is dewatered and some of the maintenance work going on there.

Photo 3 shows a wicket gate mounted on one of navigable pass shells. We mount the wicket gates on the navigable pass shells before we set them in the river. Once they are set down and the wicket gates are in place they are ready to go.

Photo 4 shows a picture of the two tainter gates, tainter gates 1 and 2 installed on the dam. For me personally, it is very rewarding to go out to the job site now because if you had gone out to the job site two or three years ago, there was a lot of work going on, but it was going on under water. If we would take somebody out to the job site and we feel excited, but there wasn't much to see because it was under water, but now there are things people can see above the water. It is starting to take shape and beginning to look like a dam. It is a very exciting time to be out at the job site.

Photo 5 shows the tainter gate bay number 1.

And the last photo, photo number 6, show Navigable Pass shell number 6 moving on the skid way to be placed in the river, and as I said earlier, Navigable Pass shell number 6 was placed in the river in early February.

Next slide. This graphic shows our FY '16 plan of activities. This is what we plan to do. It is color coded, similar to the approach that we have adopted over the last year to show what we have planned.

The activities in green indicate what we have planned for FY '16 and then activities in light blue indicate what we have planned in FY '17 and activities in dark blue indicate what we have planned in FY '18. You see in FY '18, we do not have a lot of shells to be placed. We have one shell remaining to be placed and a couple of other concrete placements. That is progressing very well.

Next slide. This slide shows you what we have planned for the 2016 low water season and our scheduled milestones. You can see our scheduled milestones (setting Navigable Pass shells 7, 8, and 9; setting Paving Blocks 9, 10, 11, and 12; and erecting Tainter Gates 3 and 4), our preparatory milestones which supports the project schedule (Completing the Lower Boat Abutment thin wall cofferdam, Completing all the Navigable Pass foundation piling, and Completing all of the Navigable Pass master sheet piling), and then our stretch milestone, which is setting Navigable Pass shell number 10, which is one of the last big shells that we want to set in place.

Over on the far right of the slide is the schedule with the dates to be filled in for each of the activities. Literally the team is, as we are speaking, the contractor has submitted to us the schedule with the precise dates on it. Our team is now validating those dates as we speak, and that is just why we don't show the actual dates yet. By the next Users Board meeting, you should see the dates for the schedule of activities populated very well. That is a pretty solid notional idea of when we plan to set shells throughout the season.

You will notice the setting of Navigable Pass shell number 10 is not listed there. Typically when we build the schedule assuming the contractual low water season, which is June to November. Historically we have been able to do work outside of that low water season, either earlier or later. These dates could change, but our baseline schedule is based on the historic low water season.

I failed to highlight when I was talking about our 2015 accomplishments, but that was a great example of how the team on site leveraged a lot of proactive thinking and made sure they were prepared to take advantage of opportunities when they presented themselves.

If you go back this time last year, we ended up with a low water condition on the Ohio River when we got started, which was great news. We got started ahead of schedule, well before the June time frame.

But then we had a pretty significant rain event, and we got chased out of the river for about 45 days during this low water season. We really lost the month of June and a good portion of the month of July.

Had we not been proactive in trying to take advantage of that opportunity, we would have had to delay the project because of that weather event. Since the team was proactive and did get things underway ahead of schedule, it was really just a matter of the team absorbing the delay. We didn't get ahead of schedule as we would have liked because of the high water event during June and July, but we still met our basic schedule and we did eventually make our stretch goal.

CHAIRMAN HETTEL: David?

MR. DALE: Yes, sir.

CHAIRMAN HETTEL: Just a question operational wise so we can understand how you are building this. When you state you want to set Navigable Pass Shells 7, 8, and 9, would you set the three Navigable Pass shells and then go back as start setting Paving Blocks 9, 10, 11, and 12. How do you sequence your construction activities?

MR. DALE: If you look over here on the slide, we will first set the Paving Blocks.

CHAIRMAN HETTEL: Okay.

MR. DALE: This chart shows the Paving Blocks will be placed in the June-July time frame. Then the Navigable Pass shells will be placed in the September through November time frame.

CHAIRMAN HETTEL: Thank you. How many of the Paving Blocks and Navigable Pass shells do you have built right now? The question that I am getting to is, is once you get into the shell setting season, is it kind of like rapid fire, one right after another, or do you have to wait to complete a shell before you can set it?

MR. DALE: Rapid fire is kind of a relative term. Yes, we got rapid fire. We have gotten that process down, but to set a Navigable Pass shell, it is about 30 days, but it is boom, boom, boom as we cycle through that.

CHAIRMAN HETTEL: So you don't see any delay in waiting for a shell to be built before you can set it?

MR. DALE: No sir. That is a great point. One of the things going on during the winter is that we are placing our shells. When we moved Navigable Pass shell 6 out to be placed in February, the significance of that was that that freed up that casting yard on shore all winter for us to be working to make sure we are ready to set the shells.



So, no, we do not see any delays associated with shell casting on shore. We really think that we are in a very low risk phase of this project. We have done all the stuff before. There is no new pieces to speak of, big pieces, and we have gotten ahead of the schedule.

We have gotten the supply side of the project figured out. We can supply shells as quickly as we need them. It is really about river conditions. The big risk that we think we carry right now are river conditions. We do need acceptable river conditions.

The next slide is the quad chart that we present to track or to portray the financial schedule and status to the Board. In the upper left hand corner of the slide you can see the expenditures. Expenditures are trending pretty well, about where we think they should be. Actual expenditures through the end of December 2015 were \$2.111 billion. In the upper right hand corner of the slide you can see our project schedule. Our project schedule has been pretty consistent. The project is expected to be completed in March of 2022. Again, that is two years ahead of schedule and the dam is expected to be operational in October of 2018.

The fact is we had really good construction seasons the last couple of years. We are getting really good efficient funding. That is great news, and we will see how this year pans out.

The project team is actually going through a project cost and schedule review as we speak with the folks out in Walla Walla [the USACE Civil Works Cost Engineering Center of Expertise located at the Walla Walla District office in Walla Walla, Washington], and we will look at that October 2018 operational date. We are not ready at this point to give you a new operational date at this point in time; however, we think it will likely be pulled back some. It will not be pulled back by a whole year, but maybe just a few weeks of where we are at right now, and we are getting near the end of the project, but this operational date could come in a little bit earlier in the cycle, but we are not ready to commit to anything yet other than October of 2018.

In the lower left hand corner of the slide is the chart where we track the total budget, the Total Estimated Price, or TEP, of the project. These red lines haven't changed since we produced the Post Authorization Change Report. Those have been locked in at about \$3.1 billion, \$3.099 billion at the bottom of the chart. This number is one that we have had some discussions at previous Users Board meetings because our Total Estimated Price to completion moves around a bit. Sometimes it goes up a bit. Sometimes it comes down a little bit, but if you look at the numbers, you will see we have pretty well stabilized. From September 2015, we are down a little bit, but I think we are in a pretty solid position right now with this estimate of TEP, unless we have some event or some risk that we can't mitigate, but we are not tracking any of those right now.

In the lower right hand corner of the slide, you will see the major activity schedule. This will give you a feel for the major activities underway and that rolls into several of the other slides that I briefed you on earlier.

Next slide. On this slide you will see, in addition to the construction of the dam portion of the project, there are several other activities going on that will result in an operational lock. There is the work of the dam. The blue line is what we are currently projecting. The green line was what we were projecting as part of the PACR. You can see we are consistently ahead of schedule, which is a great thing, a great place to be, but we do have to make sure the Operations Building is in place so that ultimately the folks that operate this project on a day-to-day basis will have a facility to operate from.

We are also doing some maintenance of the existing locks. They are approaching 10 years old. They have been there for a while so we are just going back through there. Sometimes it is as simple as software upgrades that have to happen for cyber security and new releases of new software.

We also have to consider the demolition of Locks and Dams 52 and 53. You see where they are scheduled to take place in a few years. Once we go operational at Olmsted, we can begin the demolition at Locks and Dams 52 and 53.

We do have some river dikes and some training dikes. That is an area where we think we have it bracketed pretty well. You can see the price has come down. Once we go operational, we may not need as many of the river dikes as we think, but we do have it budgeted for and scheduled.

Finally, we have the wicket lifter barge that we are in the process in designing, and we should have it in time to support that operational date in 2018.

Down here in the lower right hand corner of the slide are some figures on contractor safety. Should you make a trip to Olmsted and ask to look around, this contractor takes safety very, very seriously just as we do, and he's doing some really great things and it is having results.

The Olmsted project site is a very large job site. You don't appreciate it sometimes if you visit it. But when we are in the season of placing shells, we are going to have somewhere between 600 and 700 folks on-site working that job and they are working 20 hours a day, day and night, and they have a very respectable low safety incident rate because of the safety program they have in place.

Next slide. This is our traditional "S curve", projecting where we are currently and where we project to be. Obviously, you are not seeing a lot of it going on back here, but basically we are on track for the project completion, the operational date, and this is the time we will be doing some of the dikes, the wicket lifter boat back here, and some of the dikes and some historic mitigation, things like that.

Yes, sir.

CHAIRMAN HETTEL: Thanks, David. When Mr. Aldridge gave his presentation on the difference between what he was reporting and what the capability funding numbers were the difference was \$238 million. Does that correspond to the \$216 million figure for the remaining contingency cost that you show in your “S curve” slide? Is that part of that \$238 million difference?

MR. DALE: I guess some of it, but not all of it. I need to go back and look at all of those numbers precisely. So there will be more to come on that.

CHAIRMAN HETTEL: All right. Thank you.

MR. DALE: Next slide. In summary, for the Olmsted project, I think we are in a very good spot. A very good spot. If you have an opportunity to visit the site, make sure you stop and visit the folks on-site or in the District field office working at Olmsted because those folks are the ones that make it happen. The project is two years ahead of schedule and at least \$65 million under budget.

Subject to your questions that conclude my presentation on the Olmsted project. Thank you very much.

The next project I want to talk to you about is the Lower Monongahela River, Locks and Dams 2, 3, and 4 project. The slides are a little bit different than the Olmsted presentation.

MR. MECKLENBORG: David. I was just wondering what are your current thoughts concerning the demolition of Locks and Dams 52 and 53?

MR. DALE: The current thoughts are -- yes, and I know over the last several Users Board meetings we talked about could we not do as much demolition, and we pursued that pretty heavily, but currently we really think we want to demolish those structures for navigation safety.

We have had some instances, some issues with -- not so much with you, some of you on the commercial side of the navigation users, but we a lot of recreational boaters, and they are not very diligent -- they are not as diligent as you guys are, looking at buoys and markers and maps and all that good stuff. So, yes, we believe we are going to have to demolish those structures, but again we will do that within the budget that is laid out.

MR. MECKLENBORG: Okay.

MR. DALE: I am going to move on to the Lower Mon project, and I am going to move fairly quick through these slides because I think most of us toured the project site yesterday, and much of what I will say, you have already heard so I am going to try to pull things to the left.

Just to refresh everyone's memory. The project, the Lower Mon project is really three separate actions. One of those is completed, which was the construction of a new dam at Braddock Lock.

The other action is in progress, which is the construction of the Charleroi River Chamber at Lock and Dam 4.

And the third action will be the removal of Lock and Dam 3 once the Charleroi River Chamber is completed and operational.

Next slide. We talked about it yesterday, and I think everybody saw this yesterday if you went on the tour, and you were standing up on the walkway here or down in this area of Lock and Dam 4 for the two different briefings on the various aspects of the ongoing construction activities at the lock.

The active phase of the work at Lock and Dam 4 is the construction of the middle wall that we are talking about. We actually have two contractors on-site, which if you were a construction management guy, would make you a little nervous sometimes because there is always room for conflict.

We have the M-22 through M-27 contractor working here. He is working here, and we have the M-1 through M-7 contractor working here, what we call the River Chamber Completion contract, I believe is working over here.

Then, as they will begin to get closer to each other, as they progress the work towards the middle of the wall, we pick up additional options.

The one thing that I want to share with you, and we talk about costs and dates and how they might change. The fact is that things change and you have to adapt. What we have done is we have had two things that have happened.

The M-22 through M-27 contractor right now is behind schedule, and we are working to get him back on schedule. Our sense is historically he had a little slow start, and then he will recover, and he will be okay.

The good news is that really is not on the critical path of the project. What that means is even if he is late, it is not going to impact the completion of the project. The contractor not that severely late at this point in time, but we are showing on the slide that the M- 22 through M-27 completion date is slipping to 2019 as a result of being behind schedule. We are going to work to try and recover that time, but we are not there right now.

The other thing is that we had that I wanted to alert you to is we have awarded the base contract. We awarded the base contract of the River Chamber Completion contract so there is a base award, and there are five options to go along with the base contract, so we awarded the

base contract, and then we will award the options to finish up the contract as funds become available.

The reason we did a base contract with optional tasks is because we didn't have a Continuing Contracts clause to use. This was a way to get the contract awarded and which gave us some economies of scale and it is a little more efficient. It is not as efficient as awarding one large contract all at once because there still uncertainty that that contractor carries of whether he is going to pick up options or not, which brings to me where we are right now.

Right now if the President's budget was to carry through to completion, we would have to adjust our project scheduling here, and I have done that to reflect the President's budget. If we got zero dollars in FY '17, you can see how that would impact the project schedule. We would have to delay these actions. Now you might say "Well, wait a minute." Why is the project going to be delayed by four years? We make some assumptions. One is that if we got zero dollars in FY '17, but then we picked up efficient funding in FY '18 and beyond, that is a one-year zeroing out of funding, but because of the sequencing of work that we have on going on the project, with two contractors on the same project site, we felt it was too risky to say that we -- let me back up.

We would lose the opportunity to award this first option of the River Chamber Completion contract. If we lose that opportunity, and then we would have to go back and re-advertise, and if we re-advertise, there is a chance we could get a third contractor. So we would now have the possibility of three contractors working in a very confined site.

If you remember while you were out at the project site, we thought it was very risky so that is why we say if we missed '17, there is probably going to be a four-year slip in the project schedule and that is what you see reflected in this sequence of events here.

Over here on the slide, this first strike-out next to where is says "M22-M27", that is the result of the contractor being behind schedule. These strike-outs on the lines below are a reflection of the uncertainty of the budget and the future appropriations-- you never know with the budget what the appropriations will actually be, but if we were to get zero appropriations, that is how it would affect the project schedule.

Yes, sir.

CHAIRMAN HETTEL: David, you mentioned this pushing out the project completion schedule by four years. I didn't take very good notes yesterday when we were at the project site. What would be the increase in the project cost associated with that four year delay in the completion of the project if we don't get funding in FY '17 for this project? What would be the additional cost?

MR. DALE: Thank you, Mr. Chairman. We have worked through that. We believe that -- and obviously it would be subject to negotiations and the bids and so on, but right now as we look forward, we think the delay in completing the project by four years would have an

impact of about \$164 million in direct projects costs. That means the project costs would go up by approximately \$164 million.

That increase in project costs would be driven by -- some of it is just pure escalation. Some of it is going to be that we are going to have to retain a third contractor possibly, and there are lessons learned and increased material costs. There are a lot of issues that have to be addressed and they all feed into developing that estimate. Right now our best estimate is \$164 million increase in direct project costs.

As you think about why we undertake and construct these projects, they are all about the value to the nation provided by these projects. In the case of the Lower Monongahela River project, we estimate that the project generates about \$200 million in benefits, direct economic benefits to the nation. If you multiply that by four years, you have an \$800 million loss in benefits.

That is what we think would happen to the increase in the project costs and the loss of direct economic benefits, if we receive zero out funding for the project in FY '17.

CHAIRMAN HETTEL: Thank you David. How confident are you in completing the project on your schedule if you do receive efficient funding to complete this project? Originally you thought the project would be done in 2023. Do you still see that as holding true if you get capability funding?

MR. DALE: Right now, yes sir.

CHAIRMAN HETTEL: Okay, thank you very much.

MR. DALE: We are not to the point to say we are going to do anything sooner than that. Although I will tell you that on Wednesday of this week, I participated in a partnering workshop with the contractor.

I was very pleased with what I saw in that he was starting to ask questions such as, "Is there a chance we could maybe award something sooner or maybe just a piece of it?" with the thought that there would be opportunities to advance some work and minimize cost. Although you do have to have funding to do that, but we are working our way through that.

The contractor is thinking the right way, and we are thinking the right way, but we are not to the point of saying anything other than what we have stated previously.

CHAIRMAN HETTEL: David, can you tell me your capability number again. Back in December at the last Board meeting, you said the capability funding number for FY '17 was \$66 million for the Lower Mon project. Is that still the correct number for FY '17 if we get funding?

MR. DALE: The FY '17 capability funding for Lower Mon?

CHAIRMAN HETTEL: Yes.

MR. DALE: I apologize. I didn't bring my funding information with me. Steve Fritz, would you mind stepping up to the microphone to answer Chairman Hettel's question? Mr. Fritz is the project manager for the Lower Monongahela River project.

MR. STEPHEN R. FRITZ: Thank you, sir. Thank you for the question, Mr. Chairman. Right now \$66 million is what we are tracking. There are some things that we are working in construction right now that may move that figure one way or the other, but \$66 million is what we are tracking at this time.

CHAIRMAN HETTEL: Thank you. I need to make the point that we can spend \$66 million now or we can spend \$164 million later, and to me, that is an increase that is just something that it should not take place. That is my own personal thought.

Hopefully Congress gets you the efficient funding number that you are looking for the Lower Mon project and other projects.

Thank you.

MR. DALE: Mr. Chairman, I appreciate your thoughts.

MR. MECKLENBORG: David. The implication of that of course is that our Trust Fund dollars get -- a lot more of our Trust Fund dollars need to be spent to complete the project. That certainly is something that we will need to talk to the Congress about, but it is part of this compact is we put more money in, and you are going to move these projects along. It is one thing to say we are not going to have a new start, but it is another thing to say that we are going to strangle a project in the middle of its construction phase and then that implies millions of dollars of extra shipper and carrier money.

MR. DALE: Thank you, Mr. Mecklenborg.

Moving on to the next slide, the Project Schedule slide. One thing I will tell you is, and I think I touched on it earlier, we talked about the \$200 million in annual benefits. Those benefits really begin to accrue once we remove Lock and Dam 3. Once Lock and Dam 3 is out of the way, we start reaping the benefits of the project, which you can see here, and you see that four-year slip in the project completion. This is what we have reported previously. This is what we are saying if we end up with zero funding in FY '17. If we don't end up with zero funding, that will change, depending on how much funding we do receive.

Next slide. This is an isometric view of the middle wall, and this is downstream. This is upstream. This is M-22 through M-27, where the contractor is behind schedule.

M-1 through M-7 is over here, and then essentially -- all I am going to do is give you a visual of the sequence of construction activities. The contractor is working in this area. Once he finishes in this area, he will move over to this area and do that and then he will move back here, and then he will move back up there. There is a sequence of construction activities.

Once we get into this area here, it gets pretty congested down in this area, but I think we have a good team working that between the two contractors, and there is a lot of good communication and coordination.

We are going to expand our partnering. Right now we have partnered with the contractors individually. We are going to pull them together and partner with them together because this contractor, Fay Construction, operates the concrete batch plant, which is across the river and that plant provides all the concrete for both contractors.

Clearly there are lots of opportunities for partnering and communication and coordination, and we have a way ahead. I believe we have two good contractors to do that de-conflicting and to provide that improved coordination.

Next slide. A few photos of some of the work that is ongoing at the project site. A similar slide to the Olmsted presentation.

I would highlight one of the things that Mr. McKee said earlier, one of the underlying assumptions that we made is we have deferred the construction of the land side lock chamber at Charleroi and we have deferred the relocation of the Port Perry Railroad Bridge and we have taken those activities out of our analysis.

We are planning and executing and measuring a project that assumes that we don't do those activities. They are still formally part of the project, and we did not de-authorize them. They are just not something that we plan to pursue right now and to give the team some clarity and focus, I told the team to not carry a big number of stuff that we are not doing, and it just provide the details on what we are trying to do.

Next slide. The "S curve" slide for the Lower Mon project. You can see what how we are tracking the dates. We are going to try to clean this up a little bit and get it similar in appearance of the "S curve" for the Olmsted project, so you don't see different terminology between the different projects and I am assuming eventually you probably will want to see similar charts for the Kentucky Lock and Chickamauga Lock projects as they start ramping up, and we will try to get you a very consistent application here and terminology, not just between Mr. Aldridge and myself, but between projects as well.

Next slide, "Future Challenges" for the project. As I think everyone knows, efficient funding and scheduling is a challenge and the implications to the project.

Subject to your questions that concludes my presentation on the Lower Mon project.



CHAIRMAN HETTEL: David, not so much a question on the Lower Mon project, but you referred to the Kentucky Lock and Chickamauga Lock projects. At our next Users Board meeting that we are planning to hold in Paducah, Kentucky with a site visit planned to Kentucky Lock, would you be able to have a similar presentation one the one you gave today for that Board meeting for the Kentucky Lock and Chickamauga Lock projects to show us where our FY '16 dollars are going and what we are building with those dollars?

MR. DALE: We will do that. I am going to try to reduce the length Olmsted presentation for a bit for efficiency and the same thing with the Lower Mon River project and then add presentation materials for the Kentucky Lock and Chickamauga Lock projects, so we don't take up too much of the Board's time, but I do want to do that. Thank you.

CHAIRMAN HETTEL: Good. With reference to the President's Fiscal Year '17 Budget, what financial effect is that going to have on Kentucky Lock if it is not funded at your capability number in FY '17?

MR. DALE: We went through and did a very similar analysis to the Lower Mon project. It was project specific. With respect to the Kentucky Lock project, we looked at it, and we think it will be a one-year delay, 12 months. That 12 month delay equates to about \$15 million in increased direct project costs.

We see about \$90 million in benefits lost as a result of that delay. It slips the schedule by a year. That is what we see as the impacts on the Kentucky Lock project.

CHAIRMAN HETTEL: Is your current efficient funding level for FY '17 the same as what you reported at our December meeting, namely \$52 million?

MR. DALE: Yes, sir.

CHAIRMAN HETTEL: Thank you. What is the implication on the Chickamauga Lock project if you --

MR. DALE: Let me go back. No, it is not the same as it was in December. It has changed slightly. Some of that is as things progress, they shift around a little bit.

CHAIRMAN HETTEL: Understood.

MR. DALE: I can send you those separately. Where we are currently at with efficient funding, but then in FY '17 -- I will have to respond back to you after the meeting Mr. Chairman.

CHAIRMAN HETTEL: Okay. If you could --

MR. DALE: It is in the same ballpark, but they tweak around a little bit.

CHAIRMAN HETTEL: We are working on our recommendations on the President's Budget request, and it would be good to have those numbers.

If you can give us similar information for the Chickamauga project, can you give the Board an estimate of the impact on project cost increases and project schedule delays and lost benefits if you don't get efficient funding in FY '17, what are the additional costs there and the forgone benefits?

MR. DALE: I sure can. The schedule impacts are about eight months, not a full year. We think if we are zeroed out in FY '17, believe we can recover some of that in the out years. It is about an eight-month impact schedule wise, that results in about \$23 million in direct project costs and about \$17 million in benefits forgone or benefits that we don't achieve in that eight-month period.

CHAIRMAN HETTEL: Great. Thank you.

MR. DALE: Thank you. Subject to your questions that concludes my remarks.

MR. MICHAEL T. SOMALES: I am not sure if this is a question is for you, Mr. Dale, or Mr. McKee or someone else. I had not heard anything today about the Upper Ohio River Navigation Study, the study of Emsworth, Dashields, and Montgomery Locks and Dams. Where are we at on that? Do you want to take that one?

MR. McKEE: They are currently completing the work on that. The schedule right not is for a January completion of the Chief's report in 2017, but we are working to try to pull that schedule to the left.

MR. SOMALES: So we are about 12 years in on that study right now. Fair enough?

MR. McKEE: I don't recall. It is probably not too far off, sir.

MR. SOMALES: As we heard the comments from the good Senator earlier this morning on the subject of project delays, we are trying to think about maybe a WRDA '16 [a Water Resources Development Act], and January is probably not going to make WRDA '16. Is there any way to get that report accelerated a little bit? This Upper Ohio Valley is sitting on an energy renaissance, and there are some serious investments in the area around Montgomery Lock itself that would impact probably the upper five states in the Upper Ohio River Valley. Given the importance to the nation, I am surprised we are not moving quicker on that study.

MR. McKEE: The Pittsburgh District is working diligently on that trying to pull that schedule to the left.

MR. SOMALES: What is it that we still need to get that study completed?

MR. McKEE: I will have to ask the District to let us know what specifically they still have to do. Jeanine or Lenna [Ms. Jeanine Hoey, Chief, Engineering and Construction Division, Pittsburgh District and Ms. Lenna Hawkins, Deputy Chief for Program Management, Pittsburgh District]. Mr. Fritz.

MR. FRITZ: Thank you, Mr. McKee. What we need to do to complete is part of the Civil Works Review Board. Following that, we received its approval. There was an Independent External Peer Review comment that related to the duration of closures in the “Without project” condition.

We developed a new estimate of the duration of closure. We are inputting that closure information into the economic model to determine the impact on the benefits associated with the project.

Once we complete that, we will get it back up to Headquarters for their policy review. It has to go to State Agency Review. Once the State Agency Review is completed, then it will move into the Chief's report.

MR. SOMALES: That time line is all the way to January?

MR. FRITZ: The current time line that we are tracking is in January. We are a little ahead of that schedule. I am not saying that we are going to beat it by much. We are ahead of that schedule right now.

MR. SOMALES: Steve, can you answer the question how long this study has been active? How long we have been doing this?

MR. FRITZ: I think 2003 is when we first received funding for that. So 2003 to 2016, 13 years, but I am not certain of the numbers, but I think that is what it is.

MR. MECKLENBORG: I have one more question. Switching back to Mr. Dale. My question is, on these projects that are not in the President's Budget, the amount of appropriations for FY '16 was pretty robust. If you end up with a Continuing Resolution as opposed to an appropriations bill, my understanding is that carries over into the next year. Are you planning based on that being the likely scenario, or are you planning on it not being the likely scenario?

MR. DALE: I am planning on it not being the likely scenario because the actions that we would have to take would be considered a new contract action. I think we would struggle to get those funds.

MR. MECKLENBORG: Okay, thank you.

MR. DALE: Are there any other questions for me? Again, thank you very much. I appreciate your questions and your interest.

MR. POINTON: David, don't go anywhere. Were you going to provide an update on the GLMRIS [Great Lakes and Mississippi River Inter-basin Study] and the Brandon Road project?

MR. DALE: GLMRIS and Brandon Road. GLMRIS, Brandon Road, we continue to make a good progress on those two projects. We actually have a meeting scheduled with the navigation industry on -- it will be a combination of GLMRIS, Brandon Road on April 13th, I believe it is. Yes, 13th of April.

We received some feedback from Ms. Muench that indicated that we weren't communicating quite as clearly as we needed to. We set up a meeting to make sure that we are sharing with the navigation industry what is going on at Brandon Road and dealing with GLMRIS in total.

The reality of the GLMRIS Study itself is really focused on what is going on at Brandon Road. That is kind of the way ahead. That will inform potentially what might happen with future aspects of the GLMRIS Study, but right now the main focus is Brandon Road.

We went through and we have culled out a couple of alternatives, but we are still looking through several of them, but again we will go through that in April with the industry in whatever level of detail. We have got at least two hours blocked out, and clearly we will be there as long industry wants to go through it.

Are there any specific questions on Brandon Road?

CHAIRMAN HETTEL: David, have you seen this schedule?

MR. DALE: I am not sure what schedule you are referring to.

CHAIRMAN HETTEL: It's the Brandon Road Study Schedule. It says the Chief's report is due in January of 2019. This may be a sarcastic comment, but is there going to be a BCR on this project?

MR. DALE: Not the way that you normally would think of a BCR. Obviously, there will be benefits considered, but it won't be National Economic Development benefits.

CHAIRMAN HETTEL: Do we have any estimation on the costs?

MR. DALE: I don't know the costs right now, no.

CHAIRMAN HETTEL: And that certainly is not Trust Fund dollars; correct?

MR. DALE: I don't believe so, no.

CHAIRMAN HETTEL: You don't believe so, or are you pretty sure --

MR. DALE: I'm darn sure.

CHAIRMAN HETTEL: I want to make one other comment. When we were in Cincinnati, and this pertains to the fish barriers, and just for the record and for the Board's information, I understand the Operations and Maintenance costs are to be shifted over to the Great Lakes and Ohio River Division Operations and Maintenance.

MR. DALE: That is correct.

CHAIRMAN HETTEL: I think that it is something like \$16.7 million a year. Is that a plus up in you Operations and Maintenance account, or where is that money going to come from? Are you going to take it from other O&M projects?

MR. DALE: Well, it is not a plus-up in our base O&M amount; however, as we have worked through work plan funding, we have seen plus-ups in our working accounts. I think in the end, yes, you will see some plus-up in the funds that we receive, but as we do our budgeting, it is not a basic plus-up in the funding. Over time that will roll itself into the base on a five-year average, and it will become part of our budget request and our budget target that we budget towards. But, no, the first year it's not going to be a plus-up.

CHAIRMAN HETTEL: Okay. So you will have to pull that O&M funding from some other jobs?

MR. DALE: That is correct.

CHAIRMAN HETTEL: It might had have been done but now it won't get done because you are now doing the O&M on the fish barriers.

Okay. This is a little bit less related to the Users Board, but I have been in some of these meetings on the Brandon Road Study, and I am just going to voice a little bit of frustration here. We heard Dr. Sudol talk earlier about how we don't have the funding to reanalyze the Bayou Sorrel lockage times, which would give us a better economic analysis, but yet the Inland Navigation Planning Center for Expertise has the funding to send out nine shipper and nine carrier questionnaires and analyze those for this project, but not to reanalyze the lockage times at Bayou Sorrel for an economic reevaluation.

That is the frustration -- some of the frustration that I see personally. I just wanted to make that comment.

MR. DALE: Thank you.

MR. MECKLENBORG: David, where is the meeting to be held on the 13th?

MR. DALE: I believe it will be held in the District office in Chicago. I will get back to you directly, Dan, but I believe it is in the District office.

MR. MECKLENBORG: Thank you.

MR. DALE: Thank you all very much.

MR. POINTON: Any other questions for David? Thank you, David.

We are slightly ahead of schedule so we are at the public comment portion of the meeting. As I stated a couple of times, we have one individual who wishes to make a public comment. I will now call on Ms. Lynn Muench from the American Waterways Operators to provide some brief public comments. Lynn, hopefully you are in the room.

MS. LYNN M. MUENCH: Good afternoon everyone. Thank you for allowing me to make comments today. I am Lynn Muench with the American Waterways Operators, and AWO is the national trade association for the tugboat, towboat, and barge industry.

Basically I come here representing the AWO membership as a whole, but over 25 members that do business in the CAWS, the Chicago Area Waterway System, and voicing some of the frustrations and concerns that were just started in the last discussion surrounding Corps actions in response to the unfounded Asian carp hysteria, specifically potential actions that could impact navigation short and long-term efficiency and reliability.

First, the short-term issue. We have heard rumors that the Corps is putting together a contingency plan just in case the population of the Asian carp moves closer to the lake. Now, this is true even though the population has not moved one inch in ten years. But let's say it happens. This is a problem first because there has been no outreach to the stakeholders to talk about what this contingency plan would look like.

Second, the Chicago District Commander has said publicly that he has the authority to close the Brandon Road Lock for up to 30 days with no warning to the industry and that under emergency actions authorized in WRDA 2007. He has also stated that the Assistant Secretary has the authority to close it for much longer.

Now, this is not how AWO or any of our allies read that authorization in WRDA 2007.

I would like to hear at some point in this conversation from the General or from Mr. Belk what exactly are the Corps' thoughts on that because it is a real problem from a reliability standpoint.

Would you like to say anything now, or do you want me just to go on?

MAJOR GENERAL JACKSON: I'm going to ask you to go on because I'm not prepared to answer that specifically, and I am not going to wing it. I will get back to you with more details.

MR. MEUNCH: Good for you. Second, with the long-term problem, and hopefully as we heard earlier that this could be rectified in the next couple of weeks when we meet in Chicago on April 13th, but I wanted to make sure that I brought this to the attention of the Inland Waterways Users Board.

As part of the Brandon Road Lock Study, the Corps did send out surveys to shippers and carriers to understand the impacts to navigation with both the full and partial closures during construction or after construction.

The surveys were sent to several inappropriate companies, which I have communicated with the Corps, and the surveys that were sent to the correct companies were often sent to the wrong individuals within that company.

The Corps did not reach out to any stakeholders to develop these lists, and the surveys were only sent to a very small pool of companies, as was stated, nine each.

It makes it very essential that these are sent out to the right people so that we will have a study that would have any kind of credibility from an economic perspective.

The other problem is there were no surveys sent out to heavily impacted stakeholders that didn't fit neatly into the shipper/carrier list. This includes companies such as shipyards, companies that shift vessels between the two basins, construction companies and ports and others, of course.

Now, there are other problems with this study, including the fact that the Corps considers -- continues to look at electric barriers as part of the problem even though there are serious safety issues with this. There are studies that show that over 50 percent of the people that fall into the water in those electric barriers will be killed, and certainly we can't have people on the front of tows going through locks with those type of electric barriers.

Right now we need to make sure that the economics are done correctly and represent exactly what it would cost the industry and our customers if those are locks closed either partially or fully.

I will have more details in my written comments, but I would be happy to entertain questions, and thank you for the opportunity to speak.

Mr. Hettel, I have to tell you, I have written down the BCR from earlier comments, and we need to address that for sure.

I will feel bad if nobody asks a question.

MAJOR GENERAL JACKSON: I will ask a question. I guess it's not really a question. I want to make sure when we come back -- I want to make sure that aside from your written comments that are going to go into the record here, I just want to make sure that we have exactly what information we owe back to you so we can reply in a formal manner to you and get the exact level of detail to address the issues that you brought up.

If those are contained in what you submit to the Board, that's great. If not, if you could make those available to us in the Corps so we can answer them that would be great.

MS. MUENCH: I would be happy to make sure all the details are in there. I have also sent a pretty robust letter to the Corps outlining some of the problems specifically with the surveys.

MAJOR GENERAL JACKSON: Did that go to the Great Lakes and Ohio River Division, or where did that go specifically?

MS. MEUNCH: It went to the Colonels from the Chicago and Rock Island Districts and to the Generals from LRD and MVD [the Mississippi Valley Division of USACE] and to Mr. Belk.

MAJOR GENERAL JACKSON: Okay. Good. Thank you.

MS. MUENCH: Thank you.

MR. POINTON: Thank you, Lynn. Now I would like to turn the mic back over to you, General Jackson, for any closing comments that you may wish to make.

MAJOR GENERAL JACKSON: Let me start off by saying again thanks to everyone for being here. There was a lot of good discussion, and I really just appreciate everyone's participation.

Let me go around the horn again. Let me ask if any other Board members have any final statements, and let me quickly go around to our designated Federal observers first. Mr. Crook, any final comments?

MR. CROOK: No, I just appreciate getting an update on the status of the projects, which is very helpful, and some of the remaining issues that we are dealing with. I appreciate everybody's input.

MAJOR GENERAL JACKSON: Thank you. Mr. Szabat?

MR. SZABAT: Assistant Secretary Crook's comments apply to me as well.

MAJOR GENERAL JACKSON: Thank you. Mr. Magnuson?



MR. MAGNUSON: No further comments. I'm glad to be here today.

MAJOR GENERAL JACKSON: Okay. Great. Let me now go around to the Board Members. Mr. Innis, any closing comments?

MR. INNIS: Not at this time.

MAJOR GENERAL JACKSON: Thank you. Mr. Somaes?

MR. SOMALES: No comments.

MAJOR GENERAL JACKSON: No comments. Mr. Mecklenborg?

MR. MECKLENBORG: No, thank you.

MAJOR GENERAL JACKSON: Okay. Mr. Keifer?

MR. KEIFER: I'm good. Thank you.

MAJOR GENERAL JACKSON: Mr. Reed?

MR. REED: No comment.

MAJOR GENERAL JACKSON: Mr. McCoy?

MR. ROBERT C. McCOY: No, thank you.

MAJOR GENERAL JACKSON: Mr. Haun?

MR. CHARLES A. HAUN: No comment.

MAJOR GENERAL JACKSON: Mr. Woodruff?

MR. WOODRUFF: Nothing further. Thank you.

MAJOR GENERAL JACKSON: Mr. Chairman, before I turn the mic over to you, I would like to take a moment just to recognize a few members of the Nashville District who helped set this up for us over the last day or so.

CHAIRMAN HETTEL: Absolutely.

MAJOR GENERAL JACKSON: Bernie, if you are ready to do that?

COLONEL LINDSTROM: I am, sir. It's Pittsburgh.

MAJOR GENERAL JACKSON: Pittsburgh District. What did I say Nashville? A senior moment.

COLONEL LINDSTROM: Sir, we are a lot alike so that is okay. My experience in Nashville was great and to come here to Pittsburgh, and so thank you for recognizing both districts.

I will jump up there with you as we bring folks forward, but I just want to say that altogether there is about 11 folks that contributed to putting this meeting and site visit together. I can't ask the General to personally thank each one of them because I have some additional things that I would like to recommend them for a two star coin.

But just some Honorable Mentions, John Kelly was part of the team, Paul Surace, Captain Erik Nowak and Captain Michael Yuengert, Mike Bodnar, Dan Jones and Jean Yeager. Thank you all for everything you did to contribute to putting this all together. What a fantastic team to do it.

The first recommendation I have though is for Captain Brian Malloy. Captain Malloy, please come forward and post next to General Jackson. Captain Malloy was our convoy lead commander. He was the guy that made sure you got where you needed to go and when you needed to be there and made sure that bus, that very large bus, made it through these somewhat narrow streets here in Pittsburgh, Pennsylvania.

But even more importantly, I want to recommend Captain Malloy for recognition. He was just selected to be a part of the Strategic Broadening Seminar Series, where he is going to go overseas for some training.

I would like to tell you that there is military leaders that you see throughout out squad. Captain Malloy is one of the guys that is like in "*A Message to Garcia*." You give him a mission, and he takes it, distills it down into the central elements, comes back and puts it all together and hands it to you like you didn't need to provide anymore coordination.

So on behalf of the Pittsburgh District, I would like to recommend him for a coin.

(Applause)

The next awardee, and I'm not sure if she is in the room. Yes, I think she is in the room. Ms. Carol Davis, come forward. A little bit of a surprise, Carol. Carol is our acting Public Affairs Officer for the Pittsburgh District. For those of you that rode on the bus, and you got to experience all of those fantabulous videos, including John Oliver, we attribute to Carol and her team for putting it all together.

On behalf of the Pittsburgh District, we recommend a coin for Carol Davis.

(Applause)

Mr. Mitch Mosler. Mitch was actually the Assistant Coordinator. Now, you know what that means. The Assistant Coordinator is the guy that gets all of the tasking to get it all done.

Mitch is the one that put everything together including the flags that are behind you, made sure that the tables and the hotel was coordinated and everything else. The guy that made it all happen.

He's a former Rock of the Marne officer, a dog-face soldier, and we are just happy to have him here in the Pittsburgh District. So on behalf of the District, I recommend Mitch Mosler for a coin.

(Applause)

Last but not least, Ms. Elaine Lisk.

(Applause)

I probably shouldn't say anything after that applause because Elaine is my right arm. She is the SIO Officer, Strategic Integration Officer for the District. All the quality metrics that are included in our O-plan led by me go through Elaine.

She has got a lot on her plate, and she is my Executive Assistant. All of the additional events coordination, including the inspection program that we have the Great Lakes and Ohio River Division doing in the District this week, and this event Elaine has helped coordinate and put together.

So please give Elaine another warm round of applause.

(Applause)

Sir that concludes our awardees.

MAJOR GENERAL JACKSON: Mr. Chairman, I have always found that you can never tell your people thanks enough for the job that they do. With that, I yield the microphone to you.

CHAIRMAN HETTEL: Thank you, General. Just a couple of closing comments. Thanks again to the Pittsburgh District for a very well-orchestrated Inland Waterways Users Board Meeting here in -- oh jeeze, I guess I'm going to have to say it, the black and gold city.

Thanks to the Board members for your participation. The collaboration that we developed between the Corps and the Board is extremely important, and, Mr. Crook, that is why in my opening statement I think it's very important that we get at least 50 percent of this

Board authorized or approved or appointed for another two-year term so that we can get a standard and keep this collaboration and continuity moving forward.

If there is anything we can do to help you or assist you in that effort, I know we have somewhat of a small election coming up, and we probably need to try to get this done before we have a new administration and all of the changes that we know might take place. Anything we can do to help. Thank you.

That will close my comments, General. Thank you.

MR. POINTON: Thank you, Chairman Hettel.

It's that time in the meeting. Do I have a motion to adjourn by a Board member?

MR. SOMALES: So moved.

MR. POINTON: Mr. Somales, thank you. Do I have a second?

MR. WOODRUFF: Second.

MR. POINTON: Mr. Woodruff, thank you. Can I have a vote by the members? All in favor, say "aye".

BOARD MEMBERS: Aye (unanimous).

MR. POINTON: Any nays? Hearing none, this meeting is adjourned. Gentlemen, thank you and have safe travels. We will see you at the next Board meeting.

(The proceedings were concluded at 12:30 p.m.)

## REPORTER'S CERTIFICATE

I hereby certify that the transcript of the proceedings and evidence contained herein are a true and accurate transcription of my stenographic notes taken by me at the time and place of the within cause; that the transcription was reduced to printing under my direction; and that this is a true and correct transcript of the same.

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April 12, 2016

Gina M. Christiana  
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