

MARINE TRANSPORTATION SYSTEM REGIONAL DIALOG SESSION

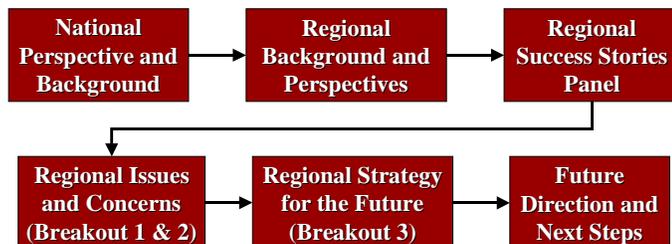
Memphis, TN

June 6, 2000



Central Region Focuses on Inland Waterways

Over 80 public and private sector participants from throughout the Central Region inland waterways systems attended the second of seven Marine Transportation System (MTS) Regional Dialog Sessions. These sessions are designed to help regional groups develop strategies for addressing regional maritime transportation issues. Port directors, terminal operators, cargo operators, shippers, pilots, and representatives from federal, state and local agencies identified, discussed, and proposed strategies about wide-ranging issues affecting marine transportation in the central region. Participants heard reports from national and regional leadership and broke into small groups to identify and clarify regional issues and recommend mechanisms for addressing issues from the regional perspective.



The MTS Dialog Session structure gives participants opportunities to listen and to speak.

Federal Leadership Sets Context for Regional Discussion

Following the U.S. Maritime Administration's (MARAD) Central Region Director **John Carnes'** welcome, the **Honorable Harold E. Ford, Jr.**, (D-TN 9th U.S. Congressional District), confirmed the importance of port and waterway operations to the regional economy, noting that 67 percent of US consumer goods are imported via waterways. The demand for export value is expected to double in upcoming years. Citing recent deliberations on granting permanent normal trade



Rep. Harold Ford (D-TN) underscores value of region's ports and waterways

relations to China, Ford challenged the group to keep this region globally competitive. China, and other nations, could and do benefit from the goods and services this region offers.

Ms. Bonnie Green, MARAD's Acting Deputy Maritime Administrator, gave attendees the MTS vision and noted the importance of the MTS initiative to the Administration and Transportation Secretary Rodney Slater. Green encouraged

The MTS Vision: "The U.S. Marine Transportation System will be the world's most technologically advanced, safe, secure, efficient, effective, accessible, globally competitive, dynamic and environmentally responsible system for moving goods and people."

them to work together with their federal partners on issues that transcend geographic, functional, and organizational lines. She updated the audience on what the federal government and

its industry partners are doing at the national level to promote marine transportation system initiatives. Green spoke to seven areas addressed in the MTS Report to Congress where action is needed to achieve the MTS vision: coordination, funding, competitiveness and mobility, improving awareness, information management and infrastructure, security, and safety and environmental protection.

RADM Robert C. North, USCG Assistant Commandant for Marine Safety and Environmental Protection discussed the MTS history and the evolution of the current organizational structure for addressing national, regional, and local issues. He explained how national and local activities are moving forward and that what is needed now are mechanisms that provide communication and coordination at the regional level. RADM North chairs the Federal Interagency Committee for the MTS, shown in the diagram below. He can be reached for comments and suggestions at Rnorth@comdt.uscg.mil.



RADM North discusses MTS Coordinating Structure

Regional Panel Describes Central Region Coordination and Success

Bob Christensen, MARAD's Chief of Domestic Shipping, moderated a panel discussion of regional issues and

coordination efforts. Christensen reviewed issues developed during the two-day May 1998 St. Louis regional listening session.. Issues included:

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| - voluntary industry environmental programs | - nautical charts and survey |
| - need for highway/rail connectors | - safety of waterways personnel |
| - waterways not promoted | - national waterways advocates |
| - USACE investment and oversight | - improved operating efficiency |
| - DINAMO as a model | - port teaming |
| | - importance of passenger vessels |
| | - geographic information systems |

With these issues as a context, panel members discussed similar regional concerns and activities.

Mr. Jim McCarville (President, Inland Rivers Ports and Terminals, Inc.) reported that their studies indicate 50 tons of cargo affects 180,000 jobs. Moreover, low-cost water transportation “makes this part of the country work – we need to get greater recognition that inland waterway (IWW) transportation system plays legitimate and responsible role in transport of goods.” McCarville remarked that in the past two years, federal agencies have collaborated with partners to address a number of key problems -- but much is still to be done. For example,

- Designate key rivers as corridors of national transportation, as are highways in the TEA-21 legislation.
- Improve processes to include marine transportation in environment studies and analyses.
- Maintain the infrastructure to keep existing systems operating effectively.

McCarville says we have a choice – to either “do nothing” and allow surface transportation to experience gridlock and increase cost, lose competitive advantage in world markets, or to embark on a vision to change thinking on how we use the waterways system. According to McCarville, we are 20 years behind European ports but we have the opportunities to catch up.

Mr. Les Sutton (Kirby Marine) agreed with Bob Christensen’s issues from the May 1998 listening session, although he listed them in a different order. Sutton asserts that we have a good IWW system, but it needs updating. We have kept Congress and others updated on the needs, but we must educate the Administration on the need for a world-class system. The Administration’s recent Waterways Act shows where their priorities lie. The Everglades need modernization, but that should not take money from other waterway systems. We can look at DINAMO (upper Ohio River group) as a model of regional coordination. It is not just the good coordination and outcomes that are laudable, but that the USACE and other government agencies have bought into this model. The result is that it is working very well. In sum, we have a world-class system and we need to maintain it as it needs to be and we need strategic upgrades to inland waterway systems, as is being done on the Ohio River. We need make sure that flood control issues do not unduly hamper navigation. To have the capacity of Kirby freight, we would need 72,000 trucks for the

roadways. Obviously we play a valuable role in moving freight -- and where would we put all those trucks on the highways?

Mr. David Updegraff (Holnam, Inc.) is a user of the IWW. Holnam produces cement and has plants on the river. Holnam moves about 20% of its product by water, primarily by barge and about 75% of the tonnage moves upstream. Holnam has other terminals, primarily in Mississippi, North Carolina, and Louisiana. Updegraff major regional concern is for quality navigable charts and surveys. Even in low-water times, barges navigate up to Chicago. Updegraff is concerned about the water control system on the Missouri River and its implication for the Mississippi River (since the Missouri River contributes 50% of the flow to the Mississippi at time of low water). His strategic concern is whether there will be sufficient waterway management to support the development and building of new plants upriver. And finally, one additional concern is that there be no new fuel tax.

Panelists describe successful regional coordination efforts

A second set of panel members described successes achieved through regional coordination. **Paul Werner**, Vice President, AWO Midcontinent, discussed the USCG/AWO Safety Partnership. This effort started in 1995 with the intent of finding non-regulatory solutions to acknowledged environmental problems. The partnership sought solutions that avoided processes imposed by the traditional regulatory framework. A Quality Action Team was formed to identify and evaluate solution ideas, under the direction of four regional steering committees. Some examples of recommended improvements include:

- River Crisis Action Team. Used as a guide for low-water navigation conditions or other unsafe conditions. Last fall, with record low conditions in the Memphis area, this coordination worked well. Operational guidelines made movement of traffic much more workable.
- Cooperative Towboat Examination Program. In the past routine inspections occurred at any time. Though this program, scheduled inspections are made in cooperation with the USCG, improving consistency in inspections. Once a vessel has passed inspection, a decal sticker is placed on the boat and it is good throughout the region.

In sum, the key to this program is communication and cooperation.

John Carnes, MARAD Central Region Director, discussed the Gulf Rivers Intermodal Partnership (GRIP). Carnes observed that three of the four presentations for this panel end in the word “partnership.” Carnes noted one-half of the nation’s top 50 ports are located in the GRIP region. For example, 13 of the top 25 ports are located on the Gulf Coast and all of these ports are connected by inland waterways, a feature unique to this region. Conservatively, demand in the region is expected to double in the next 20 years. GRIP is an intermodal group composed of federal, state, local and port authorities and commissions. GRIP organized to improve operations and efficiency to meet growing demand. Pressure

on the IWW infrastructure will increase as will the need to facilitate commerce on the highways, rails, and waterways. Recent rail mergers show the effects of the merger and acquisition. Highways continue to clog with no relief in sight. GRIP Projects include MPO field visits (via bus) to examine intermodal rail operations. A new project, Planning for the Evolution of Transportation Intermodalism, is not formally a GRIP project but uses GRIP regional assets and the GRIP Executive Committee concurrence will be sought.

Bob Goodwin, regional MARAD staff, discussed the Prototype Mooring Buoy project. This project provides for improvements of lock operations. Round mooring buoys did not work well because they do not interact with the barge or vessel. The issue was discussed informally over lunch about 3 years ago, resulting in proposed redesign configurations and applications. A private company agreed to build it. The new buoy was tested below lock #25. These preliminary tests surfaced new opportunities for improvement – wider, better keel, different anchoring/connection point. Lacking sufficient MARAD funds, a partnership with the USACE helped fund the second prototype, which is now being field-tested and should be in the Mississippi River in the next few months. MARAD is working with the NMFS and EPA on a problem involving the mussel population. The mooring buoy connection and the subsequent erosion caused on the banks smothers the mussels. MARAD developed an improved approach using a “dead-man” connection and the new buoy. The approach demonstrates cooperation between environmental resource agencies, federal agencies, and the private sector. According to Goodman, “We see this as a first step in this new form of partnership given the interest and positive benefits to all from these new buoys.

Mr. Steve Jones, USACE, described the Lock Best Practices Partnership. Jones informed participants about the Internet Inland Waterway Program web site. He noted that it is full of resources and information. The lock best practices partnership was chartered nationally by USACE and the American Waterway Organization (AWO) to examine lock operations and propose improvements. The intent of the partnership was to formalize information previously communicated through boat operators telling Corps personnel at one location about what was learned from other Corps personnel upstream. Overall this group generated about 19 recommendations, including: company-specific locking procedures, consolidation of navigation notices, coordinated meeting and closure times of lock maintenance; cross-education; improved lock lighting; improved level sensors; lock sequencing; notification of working channel changes; omni-system (lock reporting system); power control mechanisms; scheduled lock times for recreational boaters; standardized charts; standard radio contact; signaling for lock navigation; strobe light signals for locking recreational vessels; and vessel approach and retention. The recommendations are posted on the Inland Waterways web site accessible through the MARAD web page at www.marad.dot.gov.

Breakout Groups Consider Regional Issues

Informed by presentations on the national MTS initiatives and successful regional coordination efforts, participants divided into four groups to review, clarify, augment, and prioritize issues of regional significance. Later, they developed regional strategies for addressing high priority needs. Each breakout group was intentionally diverse so that multiple perspectives were aired across all issues.

After reviewing issues from previous regional listening sessions and surfaced by the regional panelists, each breakout group prepared a list of issues they felt needed to be addressed through regional coordination and cooperation. Session facilitators organized the individual list of high priority issues into categories as follows (items not listed in any relative order of priority):

Safety on the Waterways

- Safety of inland waterway personnel
- Education of recreational boaters
- Reprint AWO/USCG lifeline brochures

System-wide Planning

- Quantification of regional and secondary benefits
- Need for more/improved cooperative alliance

Environmental Issues

- Balance competing issues
- Inconsistencies
- Solutions must be sustainable

Infrastructure Improvement

- Modernize the system through reliability of locks, channels, charts
- Avoid user fees to fund modernization
- Strategic expanding capability of infrastructure (locks and dams, channel depth and widening, navigational structures, inland ATON fleet, entire system focus
- Improved navigational structures

Technology

- Broaden R&D

Funding

- Access to intermodal freight/transit funds
- Identify effective funding mechanisms
- Ensure adequate operations and maintenance through federal funding

Infrastructure – Operations and Maintenance

- Immediate operations and safety concerns about the condition of the existing infrastructure and the dollars to correct (locks, waterways, nav aids, safety)
- Ensure that core activities are performed
- Adequately maintain current system (O&M funding, lost opportunity costs are high, coordinated flow control)

Education/Promotion/Awareness

- Education and training
- Promotion target issues
- Educate the Administration, Congress, and the public about the need for a world-class waterway

- Include in the MTS a transition plan for the new Administration
- Build an effective Congressional caucus
- Promotion of MTS (environmental advantages of inland waterways, awareness/ educational success stories, credibility of inland waterway opposition arguments, getting the Administration's attention)
- Competitive advantage in global markets

Breakout groups were then reformed to develop action plans to address these high priority regional issues and develop regional coordination mechanisms and strategies.

Panelists Report Action Recommendations

Mr. Jim McCarville, presenting for the first group, spoke of the need to eliminate the backlog of USACE activities. The group recommended that the MTS National Advisory Committee work with the Administration to understand the risk analysis of deferring maintenance activities. A regional body composed of the USACE, USCG, and NOAA, needs to make industry aware of the issues and to solicit priorities from industry. The group also recommended that earmarked funds for IWW be established, similar to the National Highway System of TEA-21. A regional advisory committee, coordinated with industry by MARAD, would be a first step in working with industry groups to build support and advocacy for this approach.

The next speaker, **Mr. Luke Moore**, discussed the group's deliberations on education/promotion/advocacy. While there was no regional body or group identified for this task, there was the need to encourage grass-roots efforts for local outreach and to increase the understanding of the value and importance of the IWW to the economy. In addressing the infrastructure maintenance issue, the group recommended that separate budget line items be created for backlogged maintenance items. Regional organizations (such as the Inland Waterway User Board) have already endorsed this approach, but it needs action by respective federal agencies. The group also recommended that the National Waterway Conference work with regional partners (industry and federal agencies) to obtain greater funding for infrastructure modernization. It was noted that a number of studies (such as the upper Mississippi River, Illinois Waterway, Louisiana Lock, Ohio Valley master navigation study, and others) are underway and need to be completed in order to develop investment and modernization.

Mr. Joe Penn III (ADM Riverport of Memphis) presented the recommendations from the third group. A first priority is to define the region. A coordinated effort by USCG, USACE, IRP&T, NWC, and AWO should be made to define the region and associated regional issues. Concurrent with the MTS



National Advisory Committee, a group an MTS regional advisory committee (MTRAC) should be formed to provide information and input to the national committee. Candidate organizations include spontaneous industry participation formed around a core group of USCG, USACE, IRP&T, NWC, and AWO. A clear, focused message about the importance of the IWW should be formulated and promulgated by the MTRAC. Our partners should also carry these messages in other forums.

Mr. Ken Adams, presented findings and recommendations for the fourth breakout group. The existing alliance of IWPC, AWO, and others need to formulate a message or tagline that IWW is the "right national investment." This message needs to be promulgated and refined with support information about economic implications, global competitiveness, and long-term vision. A web page that helps to convey these messages would also be valuable. A second campaign targeted at the voting public needs to tie IWW issues to the top 10 everyday voter issues, e.g., environmental concerns, safety, economics, etc. The alliances and industry partners need to step forward and address this challenge of getting our message out and educating those who can influence funding decisions and priorities. The group was encouraged by the formation of the MTS National Advisory Committee and the ICMTS.

Representatives from the USCG, USACE, and NOAA responded to the recommendations by acknowledging the need for a regional vision, a master plan, and a study of infrastructure needs. They recognized the opportunity for pursuing a IWW approach for the region and offered their support to the region's effort. They characterized the session as "extremely productive", well facilitated, and reinforced their support for the entire series of regional dialog sessions.

Closing Remarks

John Carnes expressed appreciation to **Mr. Don McCrory**, Port Director, Memphis for meeting logistics, to Cargill, Inc. for meeting facilities, and to the six towing companies which hosted the lunch. He thanked the USACE for providing audio-visual equipment and on-site support.

Carnes reflected on the relationship between marine transportation and highways. When you look at the highway bill and notice that there is funding for special programs on bicycles, we tend to say, "Why are they getting funding when we have greater needs?" Well they did not get funding by happenstance. We need to get in and work the system to make our views and importance known.

We need to make this a partnership to success. When Carnes started his career, he was in the Department of Commerce. He went to the USDOT in the mid-sixties because he knew that we had to coordinate across various transportation agencies to make things successful. We knew then that it would take a partnership.