

Inland Waterways Industry Day Meeting
(Virtual and limited in-person components)
15 December 2021
Meeting Summary

The Inland Waterways Industry Day partnering meeting was held both with limited in-person participation and virtually on 15 December 2021. This meeting was held in the year-long absence of an official federal advisory committee Inland Waterways Users Board which has been paused since January 2021 due to the Secretary of Defense Zero-based Review of all DOD Federal advisory committees.

Major General (MG) William “Butch” Graham, the Deputy Commanding General for Civil and Emergency Operations (DCG CEO) at USACE Headquarters presided over the meeting for the U.S. Army Corps of Engineers (USACE). In person USACE attendance also included: the South Atlantic Division Commander Brigadier General (BG) Jason Kelly, St. Louis District Commander COL Kevin Golinghorst, Rock Island District Commander COL Jesse Curry, Little Rock District Commander COL Eric Noe, Galveston District Commander Timothy Vale, Ms. Margaret Gaffney-Smith, the Interim Chief of Operations and Regulatory Division for HQ, and Mr. Steve Durrett, the Programs Director from the Great Lakes and Ohio River Division.

The meeting was also attended by the Honorable Mr. Michael Connor, the newly appointed Assistant Secretary of the Army for Civil Works (ASA(CW)).

Mr. Tracy Zea, the President of the Waterways Council, Inc. (WCI), and Mr. Spencer Murphy of Canal Barge Company presided for the inland waterways industry (the Industry).

There were approximately 85 participants for both the in-person and virtual components of the meeting. See the attached participation list.

A statement for the record was submitted by Mr. Matt Woodruff of Kirby Corporation, in support of the Capital Investment Strategy (CIS) process and products, and the Colorado River Locks and Brazos River Floodgates projects on the Gulf Intracoastal Waterway (GIWW).

There were no verbal public comments.

A related tour of Mel Price Locks and Dam and Mississippi River Lock and Dam No. 25 was conducted on 14 December 2021, attended by MG Graham, the Honorable Mr. Michael Connor, Messrs. Tracy Zea and Spencer Murphy, and several other participants from USACE and the Industry.

NOTE: the Audio communication was spotty during the meeting; the virtual participants had a very hard hearing the questions/answers and dialogue in the room of the in-person portion. The presentations came in clear.

Proceedings.

Mr. Mark Pointon of the USACE Institute for Water Resources (IWR), a Subject Matter Expert (SME) of the inland waterways system and the Inland Waterways Trust Fund (IWTF) and the Inland Waterways Users Board, convened the partnering meeting.

MG Graham noted in his opening remarks that the USACE partnership with the inland waterways community is the strongest. Transparency is very important to the Chief of Engineers as well as himself. It's critical to keep the inland waterways a reliable transportation system and make it better. Need to increase the capacity to move more cargo, more efficiently.

Mr. Zea of WCI provided opening remarks for the Industry. He stated that the inland waterways industry takes great pride in the (Inland and Intracoastal Waterway) CIS which was developed collaboratively by the Industry and USACE. The recently enacted Infrastructure Act has \$2.5 billion dedicated for the inland waterways and the CIS should be the guide for investing those dollars. There is enough funding to finish the projects that are already started and to fund the Mississippi River Lock #25, the Three Rivers project, and LaGrange on the Illinois Waterway.

Mr. Spencer Murphy noted that the inland waterways industry is the only one that pays into the Inland Waterways Trust Fund (IWTF) and is represented by the Users Board. So, it's imperative that the Users Board be re-instituted.

Mr. Murphy is a proponent for dashboards to explain IWTF projects.

Mr. Pointon provided the status of:

- the **new membership appointments** for the Users Board – the recommendations have been submitted to and are currently awaiting approval by the Office of the Secretary of Defense (OSD);
- the disposition of the **Users Board Annual Report for 2020** – it was transmitted to Congress and the Army on 5 February 2021;
- and the status of the **Inland and Intracoastal Waterways Capital Investment Strategy (CIS) report for 2020** – it was transmitted to Congress by the former ASA(CW) Mr. R.D. James on 4 January 2021.

The Industry stated numerous times that the Users Board membership must be approved and the Users Board reconvened to do their critical work.

It's unclear how the Users Board annual report for 2021 can be handled without any Users Board membership during the entire year.

The Industry indicated the CIS outlines their priorities and is “a living breathing document” that should constantly be updated and evaluated as new inland waterways projects are authorized and advanced.

The Industry expressed their desire to be included in any updates or changes to the CIS; it was pointed out that the Water Resources Reform and Development Act of 2016 (WRRDA 2016) states it's to be updated every five (5) years.

The Industry indicated that the dollars in the IWTF should be fully used, put the funding to work along with the matching USACE federal funding; the Industry unilaterally increased the inland waterways fuel tax they pay several years ago up from \$0.20 per gallon to \$0.29 per gallon.

MG Graham noted that USACE has record amounts of appropriations and the IWTF has record revenues in FY 2021; that USACE will be very busy executing the program, but needs to retain “disciplined execution” like when funding is minimal.

Efficient funding can help bring down the lock closures due to mechanical issues.

It was pointed out that the projects in the CIS do not represent a 1-to-n list but rather represents groups or tiers of projects at a similar stage. The tiers will be updated with current information.

The Industry expressed their concern that the CIS should not be changed without the Users Board participation and input. It is important that the Users Board is part of the process.

The Industry expressed their concern that the projects on the GIWW are advancing without the input of the Users Board.

In collaboration with USACE and the Users Board, MG Graham committed that USACE will update the projects and data of the CIS analysis this year. This collaboration between USACE and the Industry helps determine the priority and funding of inland waterways projects.

Also, Mr. Pointon provided a status on the Inland Waterways Trust Fund for FY 2021, and for FY 2022 through November 2021 for USACE.

Industry requested how much of the \$235 million remaining balance in the IWTF has been committed but not obligated to understand how much IWTF funding is available.

Ms. Tiffany Burroughs (Chief of Navigation for USACE in HQ) provided the **status of the funding for Navigation and inland waterways** for the FY 2022 Budget, the current Continuing Resolution (CRA) and the other enacted appropriations for the Navigation mission and the inland waterways, in particular the Infrastructure Investment and Jobs Act (IIJA) of 2021. It was noted that the IIJA has \$2.5 billion for inland waterways and another \$1.5 billion for Navigation in Construction.

Industry wants transparency in the budget process.

Future IWTF Project Updates.

COL Vail (USACE Galveston District) presented the **Gulf Intracoastal Waterway (GIWW) Colorado River Locks and Brazos River Floodgates**, Texas, and also showed a video. He mentioned that the Gulf Intracoastal Canal Association (GICA) has been involved every step of the way. The Preconstruction Engineering and Design (PED) was funded and is ongoing and the project was authorized for construction in 2020. It needs a Construction New Start.

The Industry did not disagree that the GIWW Colorado River Locks (CRLs) and Brazos River Floodgates (BRFGs) have merit to advance by “independent momentum”, but the sanctity of the process is very important, and the CIS should not be revised without input and collaboration of the Industry represented by the Users Board. The outcome is not questioned, the process and partnership to get the outcome is.

The Industry has “no position” on the GIWW CRLs and BRFGs as there has been no opportunity, with the Users Board paused.

The Industry repeated the Users Board needs to be re-started. The Users Board represents the best interests of the Industry.

The **McClellan-Kerr Arkansas River Navigation System (MKARNS) Three Rivers, Arkansas** project was updated by COL Noe and Mr. Gillip (USACE Little Rock District), the PM. Phase 1 is

included in the FY 2022 President's Budget for \$149 million, and can start in June 2022, using the existing border wall Multiple Award Task Order Contract (MATOC). Phase 2 would use a Design-Bid-Build and involves substantial real estate – private landowners. It's uncertain how the remainder will be funded but could be through the IJA to fund the balance to complete. It would be a 1-year design and 3-year construction schedule, but COL Noe noted they can't predict the weather, and are still recovering from the 2019 flooding.

The Navigation and Ecosystem Sustainability Program (NESP) for Mississippi River – Illinois Waterway, Lock and Dam (L&D) #25 was briefed by COL Curry and Messrs. Andrew Goodall (USACE Rock Island District) and Michael Feldmann (USACE St. Louis District). There are a total of seven locks authorized as part of the Navigation component of NESP: a 1200-foot chamber at Mississippi Lock #25 would be the first to start, with the existing 600-foot lock becoming the auxiliary chamber. It has only received funding for PED to-date; it needs a Construction New Start and Construction funding. Estimated costs are \$732.1 million and 5-7 years to complete. If fully funded by IJA, it is expected the estimated costs would come down and the schedule could be accelerated to require three winter-season closures to construct.

It was noted that LaGrange Lock on the Illinois Waterway is the next NESP-related Navigation project in the CIS.

The Industry pointed out that new 1200-foot locks for NESP and elsewhere are needed for the safety of mariners. Splitting or cutting barge tows to get through lock chambers like was seen at Mississippi River L&D #25 on the previous day is dangerous and risky to the professional mariner.

The NESP/Mississippi River L&D #25 project is in Category 2 Tier A of the CIS.

The NESP amounts presented during the meeting do not include the environmental costs.

Ms. Sarah Bradley (USACE New Orleans District) provided a status of the **Bayou Sorrel Lock Re-Study**. The previous efforts to study Bayou Sorrel were terminated in 2014. The concern is that the Lock Performance Monitoring System (LPMS) data may not have captured delay times as accurately as possible, with two helper boats there, so affecting benefits from delays. The recommendation is a new start to re-study Bayou Sorrel using the USACE 3x3x3 process.

USACE wants to get the delay times as accurate as possible to capture all benefits for the project.

The Industry was concerned why it will take 3 years to do new study and cost \$3 million. They recommend get "real-world" data from the carriers and GICA to accelerate the study.

Mr. Hettel of American Commercial Barge Line (ACBL) provided a statement that the recent closure of Bayou Sorrel from flooding forced all traffic through Algiers Lock, and it cost the towing industry \$30 million.

Mr. Brad Inman of USACE New Orleans District provided a brief update of the **Inner Harbor Navigation Canal (IHNC) Lock**. The district is moving forward to complete the study, they requested an exception and have funding available if the exception is approved. They are making good progress with GICA to address the local neighborhood objections with the project. The sense of the Industry is for USACE to just complete the study.

Current IWTF Project Updates.

The **Chickamauga Lock and Dam** update was provided by Mr. Adam Walker (USACE Nashville District, Project Manager). All 13 contract options for the lock chamber were exercised. The current cost estimate is still \$757 million, the cost estimate will be updated in 2022 – they are done every two years. The Global Request for Equitable Adjustment (REA) due to COVID impacts has now been converted to a claim by the contractor. The contractor is 20% behind, only 39% complete whereas they should be 60% complete. USACE is very aware of the situation and is working the issue, want to be fair to the contractor in the claims process, but need to determine what's valid and what's not. The impacts of a CRA through February has not caused any issues yet.

The status of **Kentucky Lock Addition** was presented by Mr. Walker as well (for the new PM Mr. Robert Winters).

MG Graham committed to providing a “done by” or “first boat through” date (operational date) with efficient funding for the next Users Board meeting. That's affected by inefficient funding.

Mr. Stephen R. Fritz, the USACE Pittsburgh District Program Manager for Mega Projects presented the updates for the **Monongahela River L&Ds 2-3-4 Replacements (Lower Mon River)** and the **Upper Ohio River Navigation project, Montgomery Lock.**

The Lower Mon River project is funded to completion for approximately \$1.1 billion. Since the Mon River is a stable channel, there is no expected siltation after Pool 3 is dredged, but the channel will be monitored. The goal is to have no impacts to Navigation.

For the Upper Ohio River project, it includes three lock projects Emsworth, Dashields and Montgomery or EDM, with the current focus on Montgomery Lock. Funding is expected to continue in FY 2022 or from the IJA. The current cost estimate is \$1.8 to \$2.2 billion based on “best case scenario” and concurrent construction of all three locks. Current funding is expected to run out in June 2022. Currently Pittsburgh District is investing in the O&M as the new chamber will go through the existing auxiliary chamber so if the main chamber would shut down, the auxiliary chamber will not be available.

Estimated time to complete before failure is 2024 to 2032 or 2033 for the lock at Montgomery.

The Industry recommends that USACE follow the CIS and build one lock at a time – starting with Montgomery Lock. That much funding dedicated for a single project is not feasible/possible.

Mr. Hettel of ACBL requested a breakdown of the costs for each of the three locks that are part of the Upper Ohio River project: Montgomery, Emsworth, and Dashields. The Pittsburgh District is updating the cost estimate in 2022, so will have it then. Mr. Hettel requested it “sooner rather than later.”

For the Upper Ohio – what parts of the value engineering (VE) study are still beneficial and which parts won't work? The Pittsburgh District can brief on those once they understand them after the updated cost estimates.

It was noted for innovative cost controls that The Great Lakes and Ohio River Division (LRD) is using the Soo Locks as a model for inland projects.

Due Outs/After Actions.

Provide the “real” balance of the IWTF, what’s actually available from the IWTF; reduced by expected obligations for existing prior year appropriations. Provide “useable balance” in mid-January.

Post the lock stoppage chart that MG Graham displayed at the meeting.

Once new Users Board members are approved, assign a member to each IWTF Project Delivery Team (PDT). Mr. Murphy stated that USACE can’t over-communicate when it comes to these IWTF projects.

For Kentucky Lock project, provide a “done by” or operational date with efficient funding for the next Users Board meeting.

For Upper Ohio River, for the next Users Board meeting provide a breakdown of the costs for each of the three locks that are part of the Upper Ohio River project: Montgomery, Emsworth and Dashiels.

For the Upper Ohio – the Pittsburgh District will provide what parts of the VE study are still beneficial and which won’t work, once understood.

The next Inland Waterways Users Board meeting will be tentatively scheduled in the spring in New Orleans, LA, with a tour of Inner Harbor Navigation Canal (IHNC) Lock and possibly Bayou Sorrel.

Inland Waterways Industry Day Meeting**Alton, IL (St. Louis, MO)****December 15, 2021****Attendance List**

<u>Last Name</u>	<u>First Name</u>	<u>Affiliation</u>	<u>Key</u>	<u>Position</u>
Aldridge	Joseph W.	USACE, HQ LRD Regional Integration Team (RIT)	C	PM
Awsumb	G. Lance	USACE, Planning Ctr for Inland Navigation (PCXIN)	C	Economist
Barnes	Andrew G.	USACE, Rock Island District, Inland Nav Design Ctr	C	Director, INDC
Beams	Stephen S.	USACE, Mobile District	C	Ops
Berthelot	Beau	USACE, New Orleans District	C	Ops
Black	Travis	US Dept of Transportation, Maritime Admin (MARAD)	G	Acting Director - Ofc of Ports & Waterways
Bradley	Ms. Sarah	USACE, New Orleans District	C	PM Bayou Sorrel
Brotemarkle	Scott	Transportation Research Board (TRB), Marine Board	I	Marine Board Prgm Mgr
Brown	Karl B.	USACE, Galveston District	C	PM GIWW
Bucci	Ms. Mary Ann	Port of Pittsburgh Commission	I	Exec Director - PoP Commission
Burroughs	Ms. Tiffany	USACE, HQ Operations & Reg Division, Navigation	C	Chief, USACE Navigation Br.
Cade	Ms. Beth Adkins	USACE, Planning Ctr for Inland Navigation (PCXIN)	C	Senior Planner
Chang	Kuo-Liang "Matt"	US Dept of Agriculture (USDA)	G	Ag Marketing Service (AMS)
Clouse	Paul D.	USACE, HQ Operations & Reg Division, Navigation	C	Deputy Chief, USACE Navigation Br.
Connor	Michael L.	HQDA, Assistant Secretary of Army for Civil Works	A	ASA(CW)
Curry	COL Jesse T.	USACE, Rock Island District	C	MVR district commander
Dixon	Ms. Amy A.	USACE, New Orleans District	C	PM
Dell Orco	Louis A.	USACE, St. Louis District	C	MVS Chief of Operations & Regulatory
Dening	Christopher T.	USACE, Pittsburgh District	C	Upper Ohio PM
Donovan	Patrick "PJ"	USACE, Planning Ctr for Inland Navigation (PCXIN)	C	Chief - PCXIN
Dorsey	Chad E.	US Dept of Transportation, Maritime Admin (MARAD)	G	Director - Inland Waterways Gateway
Doyle	John S. Jr.	Jones Walker LLP (for Waterways Council, Inc.)	I	Special Counsel
Durrett	Stephen G.	USACE, Great Lakes & Ohio River Div	C	Regional Programs Director
Felder	Ms. Cherrie	Channel Shipyard Companies	I	Vice President; WCI BoD Vice Chair
Feldmann	Michael G.	USACE, St. Louis District	C	MVS Chief of Project Mgmt

Figueroa	ILT Martin L.	USACE, South Atlantic Division	C	Aide de Camp SAD commander
Frantz	David A.	USACE, HQ Operations & Reg Division, Navigation	C	PM for Inland Navigation
Frederick	Bobby	National Grain and Feed Assoc. (NGFA)	I	VP - Legislative Affairs & Pub Policy
Fritz	Stephen R.	USACE, Pittsburgh District	C	PM, MEGA Projects
Frost	Stephen	USACE, Pittsburgh District	C	PM
Gaffney-Smith	Ms. Margaret	USACE, HQ Operations & Regulatory Division	C	Interim Chief, HQ Ops & Regulatory Div
Gilbert	Ms. Heather	National Oceanic & Atmospheric Admin (NOAA)	G	Senior Policy Advisor
Gillip	Jonathan A.	USACE, Little Rock District	C	PM
Golinghorst	COL Kevin R.	USACE, St. Louis District	C	MVS district commander
Goodall	Andrew J.	USACE, Rock Island District	C	MVR NESP Program Manager
Graham	MG William "Butch"	USACE, Headquarters, Civil Works Executive Office	C	Deputy Commanding General for Civil & Emergency Ops
Hanks	Michael V.	USACE, St. Louis District	C	Engineering
Harshman	Scott A.	Port of Pittsburgh Commission	I	Marketing Mgr - PoP Comm
Hettel	Martin T.	American Commercial Barge Line LLC (ACBL)	I	VP Government Affairs
Horton	Ms. Dena	Pacific Northwest Waterways Assoc. (PNWA)	I	Gov't Relations Director
Inman	Brad L.	USACE, New Orleans District	C	Senior Project Mgr
Jacobson	CAPT Aaron P.	USACE, Headquarters, Civil Works Executive Office	C	XO to DCG for Civil & Emergency Ops
James	Jamie G.	USACE, Nashville District	C	Chief, Prog & Project Mgmt
Jones	Seth W.	USACE, Galveston District	C	Ops Mgr
Judd	Damon S.	Marquette Transportation Company	I	President
Kearns	James A.	Jones Walker LLP (for WCI)	I	Special Counsel
Kelly	BG Jason E.	USACE, South Atlantic Division	C	SAD division commander
Kerl	Ms. Alice P.	USACE, New Orleans District	C	PM
Kinman	Ms. Belynda M.	USACE, Galveston District	C	Ops PM
Komlos	Shawn B.	USACE, Institute for Water Resources	C	Director, Nav Data & Decs Spprt Center
Leininger	G. Scott	CGB Enterprises, Inc.	I	Vice President - CTLC & Marine Divisions
Manous	Dr. Joe D.	USACE, Institute for Water Resources (IWR)	C	Director, IWR
Massie	LTC Douglas A.	HQDA, Ofc Ass't Secretary of Army for Civil Works	A	Military Assistant for ASA(CW)
Mecklenborg	Daniel P.	Ingram Barge Company	I	Sr. VP & Chief Legal Ofcr & Sec; WCI 2nd Vice Chair
Meira	Ms. Kristin	Pacific Northwest Waterways Assoc. (PNWA)	I	Executive Director
Monahan	Michael J.	Campbell Towing Company	I	CTC member of BoD
Murphree	Justin V.	USACE, Mobile District	C	Ops PM
Murphy	W. Spencer	Canal Barge Company, Inc.	I	General Counsel & Vice Pres

Newbaker-London	Ms. Elaine	USACE, Southwestern Division	C	Nav Bus Line Mgr
Noe	COL Eric M.	USACE, Little Rock District	C	SWL district commander
Norton	Jarod	USACE, Northwestern Division	C	Nav Bus Line Mgr
Nowlin	James	USACE, Planning Ctr for Inland Navigation (PCXIN)	C	Economist
Paape	William K. "Bill"	US Dept of Transportation, Maritime Admin (MARAD)	G	Associate Administrator for Ports & Waterways
Perry	Tyler J.	USACE, Mobile District	C	Ops
Pointon	Mark R.	USACE, Institute for Water Resources (IWR)	C	IWUB Exec Secretary and DFO
Power	Timothy	SCF Marine	I	President and CEO
Proffitt	Glenn R.	USACE, Little Rock District	C	Chief, Civ Works Prgms Br.
Rase	Lance	CGB Enterprises, Inc.	I	VP - Director of Marketing
Ricketts	C. Matthew "Matt"	Crouse Corporation	I	President and CEO; WCI BoD Chairman
Riddle	Jennifer	Tidewater Barge Lines	I	Communications & Marketing Mgr
Riley	Steven D.	USACE, Institute for Water Resources (IWR)	C	LPMS Manager; IWUB ADFO
Rohde	Paul	Waterways Council, Inc. (WCI)	I	VP - Midwest area
Russek	Eric G.	USACE, Galveston District	C	Ops PM
Schimpf	Andrew C.	USACE, St. Louis District	C	MVS Nav BLM and Rivers Project Mgr
Tarpey	Michael J.	USACE, Rock Island District	C	Revolution Civil Works
Tyson	Mark A.	USACE, Galveston District	C	Ops
Ufner	Ms. Julie	National Waterways Conference, Inc. (NWC)	I	President and CEO
Vail	COL Timothy R.	USACE, Galveston District	C	SWG district commander
Van Hoven	Kyle (Terri)	USACE, New Orleans District	C	
Villalona	Ms. Branden L.	US Dept of Transportation, Maritime Admin (MARAD)	G	Director - Inland Waterways Gateway
Walker	Adam	USACE, Nashville District	C	PM, Chickamauga Lock
Webb	Jeff	Cargill, Inc.	I	President; WCI BoD Vice Chair
Williams	Byron D.	USACE, Galveston District	C	Dep Dist Engr for PM (DDPM)
Zea	Tracy	Waterways Council, Inc. (WCI)	I	President and CEO
Total number of attendees: 84				
Key:				
A = ASA(CW)				
C = Corps of Engineers				
G = Federal or State Agency				
I = Navigation & Other Industry Rep				
O = Other				