

Summary Minutes
Inland Waterways Users Board Meeting No. 60
February 20, 2009
Vicksburg, Mississippi

Inland Waterways Users Board No. 60 was called to order by Mr. Mark Pointon, Executive Secretary of the Inland Waterways Users Board (the Board) at 9:00 A.M. The meeting included approximately 52 attendees. Mr. Pointon made introductory remarks, and then called on Brigadier General (BG) Michael Walsh, Division Commander of the Mississippi Valley Division of the U.S. Army Corps of Engineers (the Corps). BG Walsh began his remarks by welcoming Chairman of the Board Royce C. Wilken and the other members of the Board, the Executive Director of the Board and Deputy Commanding General for Civil Works and Emergency Operations, Major General Bo Temple, Assistant Secretary of the Army for Civil Works, the Honorable John Paul Woodley, Jr., to the Mississippi Valley Division. BG Walsh offered his perspective on the unique characteristics of the Mississippi Valley Division and the Mississippi River Valley, including the fact that the Mississippi River watershed is the third largest watershed in the world. The Mississippi Valley Division extends from the St. Paul District (which has responsibilities that extend to the Canadian border) to the New Orleans District (which reaches the Gulf of Mexico), and the array of issues that the Division addresses range from environmental issues in the Upper Mississippi Valley area of the St. Paul and Rock Island Districts to the deep draft navigation issues of the New Orleans District. BG Walsh noted that the Mississippi River and the Mississippi River Valley represented America's "Center Coast" and that the authorization of the navigation improvements in the Water Resources Development Act of 2007 (Public Law 110-114) provides an opportunity for system modernization and ecosystem restoration on the Upper Mississippi River and Illinois Waterway (Title VIII of WRDA 2007).

Chairman Royce C. Wilken then introduced Major General (MG) Temple, Executive Director of the Board who welcomed the Federal Observers who were in attendance at the meeting. In attendance were the Honorable John P. Woodley, Jr., Assistant Secretary of the Army for Civil Works, Mr. Howard Danley of the National Oceanic and Atmospheric Administration (NOAA), and Mr. Robert Goodwin of the Department of Transportation U.S. Maritime Administration (MARAD). (Note no representative from the U.S. Department of Agriculture attended the meeting.)

Major General Temple gave an update on the status of the Corps Fiscal Year (FY) 2009 appropriations (the Corps is operating under a Continuing Resolution through the first week of March 2009 which allows the Corps to spend at the same expenditure level as FY 2008), the status of a FY 2009 Omnibus Appropriations bill that would include funding somewhere in the range of \$5.3 billion for the Corps through the end of the fiscal year (September 30, 2009), the initial actions on a FY 2010 Appropriations bill (the Office of Management and Budget has been in discussions with Corps Headquarters as to a target figure for FY 2010 appropriations), and the passage of the American Recovery

and Reinvestment Act (Public Law 111-5) (also referred to as the “Stimulus Act.”). Public Law 111-5 includes \$4.6 billion in appropriations for the Corps of Engineers. The authority to distribute and expend the funds in the law expire September 30, 2010, thus in MG Temple’s words “Execution is key.” MG Temple noted the robust funding level of the Corps Civil Works program and the prospect of a FY 2010 budget in a similar range offers a rare opportunity for a substantial commitment to the nation’s navigation infrastructure. MG Temple commended the Engineer Research and Development Center (ERDC) and the Coastal and Hydraulics Laboratory for hosting the meeting of the Inland Waterways Users Board and recognized ERDC’s achievement as being named the Army’s Large Research Laboratory of the Year for the second year in a row.

Mr. Danley of NOAA indicated that the agency is installing real time current meters at Galveston Island, Texas, and preparations are underway for the upcoming hurricane season, including the conducting of inter-agency meetings between representatives of NOAA, the Coast Guard and the Corps.

Mr. Goodwin of MARAD expressed his appreciation for the opportunity to attend this meeting of the Board and discussed the Maritime Administration recent “America’s Marine Highway” initiative, which is designed to move some of the freight which is currently moving over highways (which are often congested) onto waterways (which have capacity to handle the additional cargo), and the shipyard grant program contained in the Stimulus Act.

Secretary Woodley began his remarks by saying how pleased he was to be attending this meeting of the Board and that Secretary of the Army Pete Geren has a great deal of confidence in the Corps of Engineers, and it is Secretary Woodley’s goal to ensure a smooth transition within the Army Secretariat as he departs as Assistant Secretary of the Army for Civil Works and the new Assistant Secretary, whoever and whenever that transition will take place.

Chairman Wilken then asked for a motion to approve the minutes from Inland Waterways Users Board meeting No. 59, held on November 18, 2008, in Chicago, Illinois. The minutes were approved unanimously.

Mr. Gary Loew, Chief of the Corps Program Integration Division at Headquarters provided a presentation on the funding levels of the Civil Works program and the need for long term capital planning of infrastructure improvements. Mr. Loew noted that in addition to regular annual appropriations that the Corps receives, the Corps has received funding in six supplemental appropriations in the last six years, to cover expenses associated with natural disasters such as hurricanes and floods. With respect to the American Recovery and Reinvestment Act, Mr. Loew indicated that the Corps would, over the next several weeks, be identifying the projects that will be receiving funding out of the appropriations received from the Stimulus Act. Mr. Loew noted that the Act does not require cost-sharing for inland waterway projects that would normally be funded with 50 percent from the Inland Waterways Trust Fund. In addition, the Corps FY 2009 appropriations exempt major rehabilitation of lock projects from cost-sharing

requirements. Together these pieces of legislation may offer a window of opportunity to keep lock modernization projects on track at a time when the IW Trust Fund is depleted. Mr. Loew noted that there is a possibility of another stimulus bill in a few months if the national economy worsens. Mr. Loew also indicated that the Corps Headquarters staff is finalizing the Budget guidance for FY 2011 and will be sending that guidance out to the District and Division offices in the near future.

Mr. Jim Walker, Chief of the Navigation section within the Operations and Regulatory Division at Corps Headquarters gave a presentation on the topic “Contracting Experiences from Task Force Hope”, in place of Mr. Michael Park of the New Orleans District. Mr. Walker discussed the acquisition strategies used by the New Orleans District in constructing the \$14.3 billion Hurricane Storm Reduction Risk Reduction System that is being built in the New Orleans area in response to Hurricane Katrina in August 2005.

Ms. Jeanine Hoey of the Corps’ Pittsburgh District, and who is serving on an assignment to Corps Headquarters as the action officer for a headquarters Program Management Team (PMT) established to address the funding issues associated with Inland Waterways Trust Fund, presented a White Paper on the “Inland Marine Transportation System Investment Strategy.” The White Paper was drafted with the participation of Chairman Wilken on behalf of the Board. The Board will have an opportunity to comment on the White Paper before it is finalized. Members of the Board and other navigation industry representatives will join the Corps PMT to work towards a common way forward to prioritize inland navigation needs and options for funding mechanisms.

Mr. Steve Jones of the Mississippi Valley Division gave a presentation on the status of navigation projects in the Division, including the Navigation and Ecosystem Sustainability Program (formerly known as the “Upper Mississippi and Illinois Waterway Project”) and the Illinois Waterway Lockport Rehabilitation project.

After Mr. Jones’ presentation, Chairman Wilken opened the meeting for public comments. There was one public statement given by Mr. James McCarville of the Port of Pittsburgh Commission on the importance of the Stimulus Act and the long-term employment impacts on the private sector associated with the passage of the act.

After closing remarks by MG Temple, Chairman Wilken thanked everyone for attending the meeting and then adjourned the meeting at 12:30 P.M.