

Summary Minutes
Inland Waterways Users Board Meeting No. 64
October 20, 2010
Bettendorf, Iowa

Inland Waterways Users Board Meeting No. 64 was called to order by Mr. Mark Pointon, the Designated Federal Official (DFO) and Executive Secretary of the Inland Waterways Users Board (the Board) at 9:05 A.M. The meeting included approximately 57 attendees. Mr. Pointon made introductory remarks, and then Colonel Shawn McGinley, Commander of the U.S. Army Corps of Engineers Rock Island District made welcoming remarks. Colonel McGinley noted the challenges faced every day by the individuals who operate and maintain the 20 locks and dams for which the Rock Island District has responsibility. Colonel McGinley noted the significant achievements by the operations and maintenance personnel, pointed out that many of locks and dams in the District were constructed during the 1930s, and indicated that it is important to not take these accomplishments for granted and that it is important to continue to support their efforts.

Mr. Pointon then called on Major General (MG) William T. Grisoli, Deputy Commanding General for Civil Works and Emergency Operations at the U.S. Army Corps of Engineers (the Corps) and Executive Director of the Board to make his opening remarks. MG Grisoli began his remarks by welcoming the representatives of the various federal agencies who were in attendance at the Board meeting, Mr. Nicholas Marathon of the U.S. Department of Agriculture (USDA), Agricultural Marketing Service; Mr. Robert Goodwin of the U.S. Department of Transportation (USDOT), Maritime Administration (MARAD); Mr. Alan Bunn, National Oceanic and Atmospheric Administration (NOAA); and Ms. Claudia Tornblom, Office of the Assistant Secretary of the Army (Civil Works). MG Grisoli indicated that since the Board last met in April 2010 in Springfield, Virginia, he was temporarily assigned to Afghanistan, which he described as “engineer heaven.” MG Grisoli was involved with combat engineering activities and reconstruction of the Afghan infrastructure, including dams, irrigation systems, and hydropower generation capacity. MG Grisoli then provided an update on the Fiscal Year (FY) 2010 financial activities (which ended on September 30, 2010). During FY 2010, the Corps obligated \$11.54 billion towards Civil Works activities. This figure included regular Energy and Water Development appropriations, supplemental appropriations in response to emergencies, and American Reinvestment and Recovery Act (ARRA) appropriations. Among the inland waterway projects completed with ARRA funds were major rehabilitations activities at Lockport on the Illinois Waterway, and major rehabilitation activities at Mississippi River Locks and Dams No. 3, No. 11, and No. 27.

The FY 2011 President’s Budget submitted in February 2010 requested \$4.9 billion for the Civil Works program. Of the \$4.9 billion requested, \$779 million was directed to inland navigation, of which \$191 million is for construction activities, including \$158 million is for Inland Waterways Trust Fund related projects.

With respect to the activities of the Inland Marine Transportation System (IMTS) Capital Investment Strategy Team, the Corps is standing up teams to begin implementing the

recommendations that the Corps has control over, and work with the Congress and the Administration on those issues that are beyond the direct control of the Corps. MG Grisoli then invited each of the federal agencies representatives to offer welcoming remarks.

Mr. Marathon with the USDA thanked the Board for the opportunity to attend this meeting and indicated that the Department has completed the Congressionally-mandated study of rural transportation issues including the transportation of agricultural products and economic development in rural areas. The report examines each of the modes of transportation that impact U.S. agriculture, including trucking, railroads, barges, and ocean shipping. The report is available at <http://www.ams.usda.gov/RuralTransportationStudy>.

Mr. Robert Goodwin of the MARAD St. Louis Gateway Office expressed appreciation for the opportunity to participate at the Board meeting and provided an update on the USDOT Transportation Investment Generating Economic Recovery (TIGER) Grant Program and the American Marine Highway Initiative.

In the first round of TIGER grants, awarded in February 2010, one inland port received a \$6 million grant. The second round of grants was announced this morning, and one project received a grant of \$13 million.

With respect to the American Marine Highway Initiative, Mr. Goodwin indicated that the USDOT has identified eight projects that will receive funding to develop projects where containers and wheeled chassis might be taken off of highways and moved by vessel. One of these initiatives is the Illinois-Gulf Marine Highways Initiative, designed to identify development opportunities for the establishment of a marine highway service between the Gulf of Mexico seaports and Peoria, Illinois, via the Mississippi River and the Illinois River.

Ms. Claudia Tornblom of the Office of the Assistant Secretary of the Army for Civil Works indicated that the Assistant Secretary of the Army for Civil Works Ms. Jo-Ellen Darcy was unable to attend the Board meeting, due to her attendance at a groundbreaking ceremony of a Civil Works project, and asked that Ms. Tornblom attend the meeting in her absence. Ms. Tornblom echoed MG Grisoli's pleasure at having an additional \$4.6 billion in funds as a result of the ARRA and was very pleased to see such progress on a number of inland waterways projects.

Mr. Stephen Little, the Board Chairman, in his opening remarks welcomed MG Grisoli back to the Board and thanked him for his service to the Nation, and welcomed Ms. Tornblom to the Board meeting and welcomed the opportunity to brainstorm and share ideas with Ms. Tornblom. Mr. Little thanked Colonel McGinley and the entire Rock Island District team for their efforts. Mr. Little indicated that there was an editorial in this morning's *Quad Cities Times* concerning the importance of the Mississippi River and the other waterways to the local community as well as to the nation as a whole. Mr. Little indicated that while the Board's approval of the IMTS Capital Investment Strategy

report at the Board meeting in April was historic, there remains a lot of hard work to do. In some sense, this is just the beginning. Mr. Little indicated the need to continue to work with the Administration to learn what their position with respect to the IMTS Capital Investment Strategy report recommendations.

Chairman Little then asked for a motion to approve the minutes from Board Meeting No. 63, held in Springfield, Virginia on April 13, 2010.

Mr. Rick Calhoun entered a motion to approve the minutes, Mr. John Pigott seconded the motion, and the Board approved the minutes of Board Meeting No. 63 unanimously.

Chairman Little then called on Mr. David Grier from the Corps Institute for Water Resources, to report on the status of the Inland Waterways Trust Fund (IWTF). Mr. Grier reported that FY 2010 revenues to the Trust Fund were \$73.9 million. The yearend balance in the Trust Fund is \$58.5 million, with outstanding transfer authority of \$20.3 million, leaving an available balance of \$38.2 million.

Ms. Jean Gannon of the Corps Headquarters, Programs Integration Division reported on the status of inland waterway projects under construction.

After Ms. Gannon's report, Mr. Little brought up for discussion the preparation of the 2010 Report of the Inland Waterways Users Board to the Secretary of the Army and the United States Congress. The draft report was prepared by the Board prior to the meeting and provided to the members. There were no comments to the draft report. Mr. Mark Knoy made a motion to approve the draft 2010 Annual Report and Mr. Michael Hennessey seconded the motion. The motion was unanimously approved to accept the draft 2010 Annual Report, to be prepared in final report form to reflect any final editorial and typographical changes.

Following approval of the Board's 2010 Annual Report, Mr. James Walker of the Corps, Headquarters, Operations Division, Navigation Branch reported on the status of the Navigation Operational Condition Assessments (OCA) for locks and dams. The Operational Condition Assessments are an effort to develop a consistent national approach to evaluate over 300 components at each navigation lock in the Corps inventory, some 241 locks. The goal is to complete all assessments by the end of calendar year 2010. Eight categories of components are being evaluated: gate locks, lock structures, filling and emptying valves, gate and valve operating machinery, gate and valve controls, electrical and hydraulic systems, dam structures, and dam gates and machinery.

Mr. Walker described how the results of the OCAs will help in the budget prioritization process. In addition, the results of the OCAs will also help with the prioritization of non-routine operations and maintenance investment.

Mr. Walker described how the Great Lakes and Ohio River Division (LRD) has used the OCA data to produce a report entitled "The Ohio River Lock Gates Replacement

Program” to show how the OCAs can be used to assist in the budget prioritization process and the development of an investment strategy. At this point Mr. William Chapman, Chief of Operations Division in LRD presented the results of the assessment of and development of the Division’s lock gate replacement program. This effort was based upon life cycle asset management risk based principles. The Division has taken a proactive approach to addressing what is projected to be a future state where components fail at an increasing rate due to the aging of the components. The Division has developed a long term strategy to address the maintenance and replacement of components. The program is estimated to cost approximately \$500 million over the next 20 years.

Next, Mr. David Dale, Deputy District Engineer at the Corps Louisville District showed a short video on the ongoing work at the Olmsted Locks and Dam project site. The video show the setting of the first underwater shell upon which the dam at the Olmsted project site will sit on the bottom of the Ohio River.

Following the video, Mr. Larry Daily entered a motion that the editorial which appeared in today’s *Quad Cities Times* be entered into the official minutes of the meeting. Mr. Calhoun seconded the motion and the Board unanimously approved Mr. Daily’s motion.

Mr. Gary Loew, Chief of the Programs Integration Division at Corps Headquarters and Mr. Walker presented an update on the status of Corps efforts to implement recommendations contained in the IMTS Capital Investment Strategy report.

The Corps has established three implementation teams to work on various recommendations, a Strategic Communications team led by Mr. Mark Pointon of Corps Headquarters, a Project Finance team led by Ms. Jeanine Hoey of the Corps Pittsburgh District, and a Process Implementation team lead by Mr. Jeff Stamper of the Corps St. Louis District.

Among the issues to be addressed by the Strategic Communications team will be project management certification for inland waterways projects, the role of Board members as to how they will interact with project delivery teams, the use of continuing contracts clauses or full project funding.

The Project Finance team will examine the criteria for evaluating and prioritizing inland waterways capital investments and how they impact overall system reliability. This effort will include an examination as to whether additional economic data is available or needed for a more comprehensive evaluation of the inland navigation system investments.

The Process Implementation team will investigate the development of risk-based project cost estimates, the use of external peer review, capturing and applying lessons learned to new projects, including the use of design charettes, and the development of a portfolio of standardized designs.

Next, Dr. Larry Bray of the Center for Transportation Studies at the University of Tennessee presented the results of an assessment on the various categories of beneficiaries associated with the development of inland waterways infrastructure.

During the public comment period, Mr. Cornel Martin, President of the Waterways Council, Inc. (WCI) described efforts of a coalition of more than 200 organizations and companies that have come together in support of the Capital Investment Strategy report. This coalition of interested parties has conducted more than 300 meetings with elected officials in Washington, D.C. or their staff, as well as staff members of various Congressional committees.

After the public comment period, Mr. Little offered concluding remarks. He said a great deal of time and effort went into the preparation of the IMTS Capital Investment Strategy report, both on the part of the professional staff and leadership of the Corps as well as the members of the Board, and much work remains to be done in terms of implementing the recommendations of the report, and the Board awaits a response on the part of the Administration.

MG Grisoli, in his concluding remarks thanked Chairman Little and the other members of the Board for their participation at today's meeting, and pointed out the work that Mr. Loew and others at the Corps have done to date with respect to moving forward on those areas that the Corps has control over and will continue to identify those areas where the Corps feels assistance is needed with respect to legislation or other implementation issues.

The meeting was adjourned by motion at approximately 12:15 P.M.