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President’s Letter



Greetings to all!

This newsletter will be going out electronically – please give me feedback on how you like its extra photos and quicker delivery. We will go back to a printed version if I hear from enough of you asking that we return to a paper version.

MWRA has signed up with the Big River Coalition as we all work together to address the dredging concerns, especially in the area of the Lower Mississippi River. Elsewhere in this newsletter is the White Paper distributed to members of Congress. This situation merits the attention of all of us!

Looks like Mississippi will have a great delegation attending the National Waterways Conference Budget Summit in D.C. in early March. There are members going from Tombigbee River Valley Water Management District, Port of Rosedale-Bolivar County, Yazoo-MS Delta Levee Board, Natchez-Adams County Port, Pickering, Inc. and others.

Please be certain to read the good news coming from the Claiborne County Port and the Port at Gulfport elsewhere in this newsletter. Despite a negative economic environment, the ports in our state seem to be growing – creating jobs and positive economic impacts from one end of the state to the other!

If you missed the Mississippi Intermodal Council Breakfast with our Legislators, you missed a treat. There is no charge to attend the breakfast since it’s a benefit of membership. It doesn’t matter what your interests are, there is a legislator you can talk with about it. We were fortunate enough to have twenty or so legislators there, the Transportation Commissioners, and many of our partners at MDOT. We want to thank both the legislators and the attendees – through your efforts our participation has grown to 150. We are set to go again next year at Old Capitol Inn, February 2.

MWRA port directors will try to schedule a meeting soon with the three Transportation Commissioners and MDOT’s Intermodal Planning and Freight Divisions. We would like to discuss where Multi-Modal funding is headed in the future. Will keep you posted on that effort. We would also be remiss if we did not ask for prayers of support for Larry “Butch” Brown, former Executive Director of MDOT, and his family as he recovers from health complications.

Anthony Hauer
MWRA President
Natchez-Adams County Port

MWRA Mission Statement:
MWRA promotes the advancement of Mississippi rivers, ports and harbors, coastal and inland waterways, flood control, recreation, water development and management, water supply and all other beneficial uses of water resources.

ENGINEERING THE MISSISSIPPI RIVER

The US Army Corps of Engineers is responsible for the engineering, construction, and maintenance of the Channel Improvement Feature of the Mississippi River and Tributaries Project. In general terms, we must provide a safe and reliable navigation channel year round, even during extreme low water conditions. This is primarily accomplished through the use of revetments, stone dikes, bendway weirs, and maintenance dredging. Engineering on the Lower Mississippi River is a tremendous challenge due to extreme stage fluctuations (up to 50'), non-uniform and unsteady flow conditions, and very dynamic sediment transport.



Recently river engineers from St. Louis, Memphis, Vicksburg, and New Orleans met in Memphis to regionally address navigation problems on the Lower Mississippi River. The River knows no district or state boundaries and must be looked at as a system. This regional team of experienced engineers worked together to improve navigation while at the same time ensuring environmental sustainability of the Channel Improvement Project. Structures to improve navigation are developed, proposed, and reviewed by the collective group at this annual meeting called E-Action – Engineering Action – which is but one of several steps required for the concept of a structure to actually become a reality in the river.

In the development of conceptual plans for improvement of navigation through stone dikes, revetments, bendway weirs, etc., the river engineer uses a variety of tools and techniques. General guidance is provided in engineering manuals such as EM 1110-2-1611, Layout and Design of Shallow Draft Waterways, and EM 1110-2-1601, Hydraulic Design of Flood Control Channels; however, this guidance is general in nature, as every location on the Mississippi River is unique. Conceptual plans require that a detailed analysis of the reach must first be performed to understand the system processes and clearly identify the problems. This includes a detailed study of historical aerial photographs, general hydrographic surveys, dredging records, geologic maps, soil borings, accident data, and towboat pilot feedback. Further analyses can also include detailed multi-beam hydrographic surveys, Acoustic Doppler Current Profiler (ADCP) velocity data, and also small-scale physical models called Hydraulic Sediment Response Models. The latest software products, including Bentley Microstation, Inroads, and ESRI ArcView, are also effective tools utilized in the analysis of data. Even with all these tools available, the experience and engineering judgment of the river engineer is still paramount. Engineering on the Mississippi River is both an art and a science. The best design information available is still obtained by reviewing the performance of existing similar structures and their resultant effects on river bathymetry.

One topic of intense discussion at this year's annual E-Action meeting was the Victoria Bend reach from River Mile 597 to Mile 594, located approximately 10 miles upstream of the harbor at Rosedale, Mississippi. This reach is characterized by a navigation channel that has an irregular bank alignment on the descending left bank, with an outer bendway radius of approximately 6200'. This area is difficult to navigate during mid to low bank stages and towboat pilots desire improvement. The Corps also needs to reduce expensive maintenance dredging requirements of the reach. The plan of improvement consists of several transverse dikes upstream and a new lateral "trail dike" with tiebacks along the concave side of the bend. This trail dike with tiebacks will provide a more favorable outer radius of the bend and will help reduce the encroachment of the point bar during low water conditions.

– Submitted by USACE, Vicksburg District

CONGRATULATIONS TO MIKE TAGERT: MISSISSIPPI'S NEW MDOT COMMISSIONER



On February 8, 2011 Mike Tagert was sworn in as the Mississippi Department of Transportation's (MDOT) Northern District Commissioner. This was a bitter-sweet moment for the Mississippi Water Resources Association (MWRA) and its members. On the one hand, Commissioner Tagert takes office with years of on-the-ground experience in all aspects of waterborne and multi-modal transportation. On the other hand, we will all certainly miss Mike on the Board and Executive Committee. MWRA members often have to educate new Transportation Commissioners about the role waterways and ports play under the MDOT umbrella. Commissioner Tagert is already very knowledgeable about waterborne transportation, so we can and should expect to do our homework to fully justify our projects before approaching MDOT. As is summarized below, Mike brings a wealth of local, Mississippi, regional, national and indeed international transportation, trade and economic development experience to the Commission.

Since accepting the Presidency of the multi-state Tenn-Tom Development Council and becoming the Administrator of the Tenn-Tom Development Authority on February 1, 2008, Mike has been a tireless and successful advocate for the waterway and ports in Alabama, Kentucky, Mississippi and Tennessee. The Council's mandate stresses the critical linkage between waterborne transportation, trade and regional economic development. These linkages are vital to successfully compete in the new global economy. Mike embraced this mandate by organizing a trade visit to the Panama Canal Zone in September 2009. As a result of that trip, in August of 2010, the Tenn-Tom Waterway and the Panama Canal Authority signed a Memorandum of Understanding to pursue joint marketing, information sharing and technology exchanges. This agreement helped put Mississippi and the Tenn-Tom Waterway at the front of the line to benefit from increased trade resulting from the Canal's expansion. He also spearheaded a successful effort to get the Tenn-Tom Waterway designated as a Marine Highway Corridor under a new Maritime Administration program. These types of efforts create a strong foundation to leverage investments in transportation infrastructure with other funds for long-term economic development and job creation.

Mike has also been an active member of the MWRA Board of Directors and Executive Committee. He provided the Board with regular federal affairs updates on important federal legislative, administrative and regulatory activities. Nationally, Commissioner Tagert's dedication and passion for waterborne transportation and economic development was recognized by his election as the 1st Vice President of Inland Rivers, Ports and Terminals and his service on the National Waterways Conference's Board of Directors.

MWRA wishes Commissioner Tagert every success in his new position and is confident that he will continue his efforts to keep Mississippi and MDOT at the cutting edge of transportation so that we can all reap the economic benefits of a world-class, integrated, multi-modal transportation network.

– Submitted by Jeff Ballweber, Pickering Inc.

PORT OF GULFPORT CARGO FIGURES REBOUND IN 2010

The slowdown in the global economy in the previous two years has had a tremendous negative impact on the maritime industry around the world. Despite the challenges, the Mississippi State Port Authority at Gulfport handled over 2.15 million tons of cargo in 2010. The 2010 figure exceeded 2009 by nearly 6%. “There was also noted improvement in container activity as compared to the previous twelve months,” said Don Allee, Mississippi State Port Executive Director. “Gulfport handled over 208,000 TEU’s (twenty-foot equivalent units) in 2010, which represents an increase of nearly 5% as compared to 2009,” Allee added. Cargo growth in 2010 is attributed to an increase in general containerized cargo and non-containerized bulk activity.

Throughput at the Port of Gulfport in 2011 will depend greatly on the recovery of the global economy, the continued development of port infrastructure, and the marketing of restored port facilities and enhanced services. The State Port’s Revitalization Program continues to advance rapidly and its progress is already capturing the attention of carriers and cargo owners throughout the world. Thanks to the efforts of the entire port community, the Mississippi State Port at Gulfport continues to strongly maintain its position as the third busiest U.S. container port in the Gulf of Mexico.

– Submitted by Enrique Hurtado, MS State Port Authority at Gulfport

MCGOWAN AWARDED DISTINGUISHED DIPLOMATE CERTIFICATION



Dr. Deirdre McGowan, Executive Director of MWRA, was awarded Distinguished Diplomate Certification in Navigation Engineering at a MWRA Board of Directors ceremony on February 2 in Jackson, MS.

The Diplomate was awarded by the Academy of Coastal Ocean Port and Navigation Engineers (ACOPNE), which works to improve the practice, elevate the standards, and advance the profession of the four named engineering specialties through a voluntary, post-licensure, specialty certification program for engineers. The certificate of Distinguished Diplomate is reserved for outstanding individuals who have made sustained noteworthy contributions to the advancement of the profession.

Dr. McGowan was recognized by the Academy for her contributions to waterborne transportation and navigation engineering excellence through her leadership of organizations such as Inland Rivers, Ports, and Terminals and the Mississippi Water Resources Association and service as a charter member of the American Society of Civil Engineers’ Navigation Engineering Committee.

Dr. McGowan is shown accepting the award from Dr. William H. McAnally, ACOPNE Trustee and Vice President of MWRA.

CLAIBORNE PORT LEASED TO ENTERGY OPERATIONS

In September 2010, the Claiborne County Port Commission entered into a 15-month lease agreement with Entergy Operations, acting as owner and agent for Grand Gulf Nuclear Station, to lease its wharf and ten-acre industrial area for the planned ‘uprating’ of Unit I at Grand Gulf Nuclear Station. The lease, effective January 1, 2011 and ending March 31, 2012, will allow Entergy Operations and its subcontractors, including The Shaw Group, Inc., Barnhart Crane and others, to make necessary improvements to the port’s facilities to allow for the barging, unloading and transport of the necessary modular components to ‘uprate’ Unit I into the nation’s largest single-unit nuclear plant.

Grand Gulf’s generating capacity would increase to 1,443 megawatts from 1,265 – higher than all other single-unit operating nuclear plants in the United States. The cost of the ‘uprating’ will exceed 500 million dollars. This is Grand Gulf’s second upgrade since 2002, when its capacity was boosted by about 2 percent. The current uprate project will increase the plant’s output by 13% and will generate enough electricity to power an additional 53,000 homes in Mississippi. Completion of the project at Grand Gulf is planned for early 2012. Some preliminary work has already been finished, and work is scheduled throughout 2011.

– Submitted by John Johnston, Claiborne County Administrator

BIG RIVER COALITION WHITE PAPER: INADEQUATE FUNDING THREATENS MISSISSIPPI RIVER SHIPPING FROM NEARLY 30 STATES AND AMERICA’S INTERNATIONAL COMPETITIVENESS

Background – The Mississippi River is America’s largest river system, helping to connect states in the heartland of the country with international markets. Some facts help measure this impact:

- The Mississippi connects more than 14,000 miles of inland waterways with the Gulf of Mexico.
- Twenty-nine states and Canada use the river to ship cargo for export markets.
- Roughly 60 percent of all U.S. grain exports are shipped from the Mississippi River.
- The ports along the river collectively rank first or second in terms of foreign tonnage shipped, according to the Maritime Administration.
- The Customs and Border Protection Agency estimates the value of foreign trade through its New Orleans District, which includes the Mississippi River deep draft ports, at between \$85 billion and \$104 billion, depending on the year.
- Nearly 25% of all bulk ships coming to the U.S. come to the Mississippi River ports.

Problem – The Mississippi River has an authorized depth of 45 feet (because of rises in the river, this frequently means ships can load to a 47-foot draft). The Army Corps of Engineers, which is responsible for maintaining the river, has not been adequately funded for many years. It has dealt with this problem by dredging the river as needed and, when funding runs short, borrowing from other projects until Congress appropriates additional funding. Whenever asked, Congress has routinely allocated supplemental funds to ensure that the river is maintained to project dimensions.

This year, just as the 2011 fiscal year was set to start, the Army Corps announced it would no longer reprogram funds and would scale back dredging on the river to stay within its budgeted funding amount. However, the 2011

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funds are clearly inadequate, as compared to the actual needs of the river:

- 2011 Mississippi River Operations & Management Budget = \$63 million
- 2011 funds available for dredging after administrative expense is taken out = \$53 million
- 2011 minimum estimated need for dredging = \$85 million
- Average annual expense in recent years = \$104 million

Simply put, the Corps plans to spend \$22-41 million less than is needed to dredge the Mississippi.

Impact on the River – This fall, the river experienced its lowest levels in a decade, compounding the dredging problems. Corps officials say that certain chokepoints of the river have already begun shoaling, narrowing the available channel. This is a safety concern and could restrict traffic to one way in certain reaches. The real problems will begin when the spring runoff comes, causing sediment to build up along certain stretches and in particular at the mouth of the river. When that happens, Corps officials warn that they cannot guarantee any more than a 40-foot draft instead of the authorized 45-foot channel.

Impact on Commerce – A failure to maintain the river damages the Mississippi River's competitiveness internationally, which in turn harms the competitiveness of Midwestern states in the world market. For ships carrying many bulk cargoes, the profit margin may be just one percent. A 40-foot draft represents a reduction of 12-15%, a cut that would make many shipments unprofitable.

The economics of international trade are complex, but a reduction in draft will almost certainly result in a combination of the following:

- **Ships may avoid the river** – If profit margins shrink, shipping will go to other markets. It is important to remember that, as the world climbs out of recession, shipping rates are expected to increase worldwide, further shrinking profits margins for shippers.
- **U.S. agriculture, coal and steel industries will lose out to foreign producers** – World markets are very competitive, and increased transportation costs will tip the balance for low margin cargo.
- **American Midwestern farmers will bear the brunt of the cost** – Farmers who are able to send their crops to the river by rail or truck and then on to export markets have typically commanded higher prices for those crops. It is an elastic economic model, and increases in river transportation have resulted in decreases in the price of their cargo. For example, reports indicate that when Hurricane Katrina threatened shipping from the Mississippi River ports, farmers in the Midwest saw an immediate drop in prices for corn and soybeans of 10-15 cents a bushel. Higher costs related to losing Mississippi River draft can be expected to result in a significant cost to agriculture.

Impact on America – The Administration has put a new emphasis on the country's international competitiveness. In his State of The Union Address, President Obama announced the ambitious goal of doubling exports over the next five years and created an Export Promotion Cabinet tasked with "ensuring that U.S. businesses can actively participate in international markets by increasing their exports of goods, services, and agricultural products."

The Corps' new policy, which knowingly allows one of America's main export arteries to be reduced and become noncompetitive, would run counter to the ambitious goal proposed by the President. If kept in place, the decision by the Corps to allow the Mississippi River to shoal in will directly cost farmers, U.S. maritime jobs, Midwestern industries and America's overall international competitiveness.

Solution – First, the Corps and the Obama Administration need to reverse the current policy. Second, Congress needs to provide immediate funding to cover the anticipated funding shortfall. Finally, future budgets need to contain full funding to ensure adequate funding for channel maintenance.

Calendar of Events 2011

- April 13 MWRA Board of Directors Meeting, Tara Wildlife Center, Vicksburg.
Information: insightltd@msn.com
- April 26-28 **Critical Commodities Conference**, Hilton Riverside, New Orleans.
Information: Jimmy Baldwin, JBaldwin@sailala.com
- May 4-6 **IRPT Annual Conference**, Omni William Penn, Pittsburgh.
Information: www.irpt.net
- Sept. 7-9 **MS World Trade Center / MS Water Resources Assn. Intermodal and Freight Conference**, Natchez Grand Hotel. Information: www.mswtc.org
- Sept. 13-16 **SmartRivers Conference**, Hilton Riverside, New Orleans.
Information: www.smartrivers.org
- 2012
- Feb. 2 Mississippi Intermodal Council Breakfast with our Legislators,
Old Capitol Inn, Jackson. Information to follow.