

RED RIVER VALLEY ASSOCIATION

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April 13, 2016

MG Michael C. Wehr
President, Mississippi River Commission
P.O. Box 80
Vicksburg, MS 39181

RE: RRVA Comments to the Mississippi River Commission, April 13, 2016

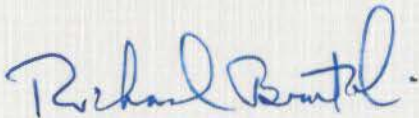
Dear MG Wehr:

I want to thank you and the Commissioners for the opportunity to submit a statement before the Mississippi River Commission.

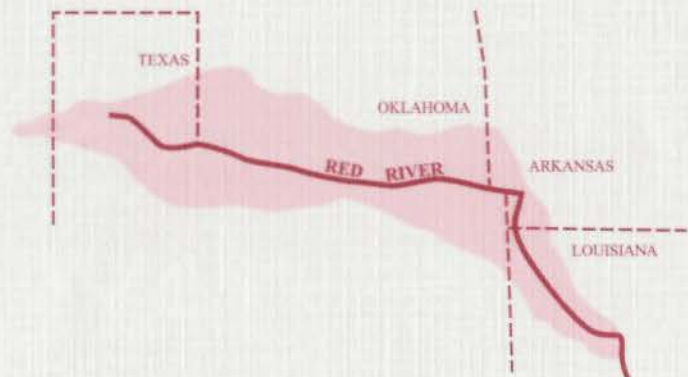
The reductions to the O&M funding level, in the President's budget since FY 2010, has impacted maintenance dredging and jeopardizes economic development and the continuation of navigation on the J. Bennett Johnston Waterway. In the past 12 months the Red River has experienced two major flood events that have had a great negative impact to navigation. As the newest navigation system it takes time to develop industry, but we hope you realize the great efforts being made to ensure success. We believe there are serious issues, at the national level, that have negative impacts, not just for tributary waterways, but to the whole inland waterway system.

We appreciate your attention to these issues and look forward to providing you with updates in the future. Please contact me if you have any questions or would like more information, (318) 221-5233, rrva@rrva.org.

Sincerely,



Richard Brontoli
Executive Director



Red River Valley Association
Statement to the Mississippi River Commission
April 13, 2016

I want to thank you for the opportunity to submit his statement on behalf of the navigation interests on the J. Bennett Johnston Waterway. We have an RRVA Navigation Committee and local sponsor, Red River Waterway Commission (RRWC), who have worked hard to ensure our Waterway is safe, efficient and reliable. The comments presented today concern the lack of Administration support for the Corps of Engineers, 2015 & 2016 Red River flood events and the lack of a post project evaluation to demonstrate the success of Corps navigation projects.

It is important to note that the Red River experienced a series of major flood events from May 2015 through April 2016. The Shreveport gage surpassed the flood stage four times during this one year period. This has never occurred since the gage was set and the flood of record of 45.9' in 1849, with no flood control reservoirs. The highest crest event in 2015 was 37.1' at the Shreveport gage. This crest occurred after the construction of fifteen flood control reservoirs located above Shreveport-Bossier, LA, to include Lake Texoma on the main stem Red River. The Tulsa District calculated that if the reservoirs were not in operation the Shreveport gage would have reached 41.9'.

These high river levels closed four locks to navigation in 2015 and all five locks were closed to navigation in March 2016. This is the first time, since the waterway was operational, that more than 2 locks have been closed at the same time. Lock 5 was closed a total of 79 days just for high water.

The Red River is one of the most high silt carrying rivers in the United States. There were great silt deposits at the approaches to the five locks. In addition to the locks being closed to navigation, due to high water, they were also closed for siltation and the lack of a 9' channel. This required an extraordinary amount of dredging. This was exacerbated due to the four flood events in a single year. At one point the five locks were to be open when another high water event occurred and again closed the locks to navigation. The Caddo-Bossier Port, at the head of navigation and above Lock 5, did not have navigation for an additional 48 days due to siltation in the waterway system. This is a total of 127 days that tows could not reach the Caddo-Bossier Port.

When the river dropped in 2015 the Vicksburg District had only one dredge contract and was in the process of awarding a second. We want to recognize the Red River Waterway Commission (RRWC) for contracting a second dredge with their own funds, to expedite opening the locks, until the Vicksburg District had a second dredge working the river.

The RRVA Navigation Committee has been concerned over the reduced O&M funding in the President's budget since FY 2010. The approximate \$3 million annual reduction for the J. Bennett Johnston Waterway threatens the viability of navigation on our Waterway. Each year the Corps of Engineers has notified us that the reduced funding is all from the dredging business line. Congress passed the FY2016 Omnibus; Consolidated Appropriations Act, which had provisions for 'Additional Funds'. We appreciate that the Corps allocated an additional \$6,000,000 for FY 2016 O&M on the J. Bennett Johnston Waterway that will be used for dredging and flood recovery. We also want to express our appreciation to the Vicksburg District and MVD for their support in submitting our needs to Corps HQ.

The historic 2015 flood identified a major issue, which was the difference between the actual crest and the projected crest. What concerned our communities is when compared to the 1990 flood the 2015 flood crest was higher with less flows. An additional item of concern is that the Base Flood Elevations shown on the current Flood Insurance Rate Maps (FIRM) published by FEMA, used to regulate development located in the Special Flood Hazard Areas (SFHA's), are not accurate and must be updated. These issues are the responsibility of input from multiple federal agencies; FEMA, Corps of Engineers and National Weather Service.

The Vicksburg District and FEMA expressed that a Hydraulic & Sedimentation Survey is important to identify the changes in the flood plain and flood storage capacity. A local Flood Technical Committee was formed to coordinate with the Vicksburg District to provide assistance and get periodic updates on their progress. Once the survey is completed and analyzed the Committee will address options to reduce the risk to flooding, with the Corps of Engineers and FEMA. Col. Cross was able to obtain \$1,500,000 from FY 2016 appropriations to conduct this survey.

It is disappointing that the President's FY 2017 budget (\$4.6 B) submission reduced the Corps of Engineers by \$1.3 B; a 22% reduction from what Congress enacted in FY 2016 (\$5.9 B). It is obvious the intent of Congress is to fund waterway projects. It is apparent that the Administration may talk about infrastructure projects, but the fourth R, rivers, is not included with the other Rs; roads, rail and runways.

The President's FY 2017 Budget had \$8,714,000 for the J. Bennett Johnston Waterway, short of the basic requirements for annual O&M. The majority of the shortfall is for dredging required to maintain a 9' X 200' navigation channel. Our immediate need is for additional dredging funds of \$3,600,000 to ensure a 9' channel for FY 2017. There is an additional capability of \$10,242,000 for flood recovery and critical backlog maintenance. Reduced funding of this magnitude guarantees the waterway will be closed in FY 2017. Congress must pass an appropriation bill increasing the Corps budget and include the provision for 'additional funds'.

We encourage the MRC and our delegation to support an Energy & Water Appropriation Bill be completed by 1 October 2016; the Corps of Engineer budget be at a minimum level of \$6.0 billion; and that the appropriation bill continue to have the 'additional funding' provisions for the GI, CG, and O&M accounts.

After an analysis by the Vicksburg staff, Col Cross decided to allow our five locks to remain operating 24/7/365 for CY 2016. We know there will be a re-evaluation each year and we must show positive trends. Since 1995, when Locks and Dams 4 & 5 were completed, our public ports, State of Louisiana, Red River Waterway Commission, communities and private industries have invested over \$2.8 billion. This is more than the federal investment of \$1.9 billion, a testament to the public and private efforts to make the Waterway a success. As a young Waterway it takes time for economic and industrial development. We want to express our appreciation to Col. Cross and his staff for understanding this and providing the Red River community the opportunity to succeed.

I would like to comment on water compelled rates and waterway metrics. Over the past four years the Corps of Engineers has either changed the metrics, on what a successful waterway is, or added mandates that affect the ability of waterways to succeed. Originally the metric used was 'trip ton-miles', then it changed to 'ton-miles' and now there is the IMTS reduced lock hour operating program. These metrics are unrealistic and meaningless in determining the benefits of our waterways.

The primary justification for navigation projects was the national benefit of reduced transportation rates. During the feasibility study commodities were identified that could move by barge. A comparison was then made of the rate by water transportation to the existing mode; rail and truck. If there was a reduced rate per ton then that rate differential was applied to the tons moved by that company, which was applied to the 'benefits' of the project. If there was no savings then no benefits were realized. What is important to realize is that the magnitude of the benefit is the reduced transportation savings, not the number of tons moved.

We know that upon the completion of Locks 4 & 5 the rail rates dropped to be competitive with barge rates, which is known as 'water compelled rates'. Why would a company change the way they do business if they realize lower transportation costs? Does anyone in the Administration understand that waterborne transportation is the only competition to long haul rail? If our waterway is forced to close, rail rates will increase. Our waterways are the only leverage industries have in negotiating rates with railroads. The tons NOT moving by

water, but realizing a rate savings, are NOT captured as a benefit to our waterways. This tonnage was used to justify our navigation project, yet ignored after the project is operational.

If waterways are threatened or closed then railroads will have a monopoly and transportation rates will increase for all industries. Cargos will shift back to highways, putting more trucks on our already congested highways. Reducing reliability of waterways has a negative impact on transportation costs, highway congestion, higher fuel consumption and increased air pollution, issues the Administration state they want to minimize.

As stated earlier, the metrics of only tons moving on the waterway is unrealistic. It does not reflect the true benefits of our waterway. Using these metrics to determine 'high' and 'low' use waterways may be the Corps' way to determine where to apply budget cuts, but it is sending the message that our waterways are failures! Since navigation projects are 100% federal, it is the Corps that has failed. We believe railroads are using these metrics of failure and drastic budget cuts to convince industry that waterborne transportation is unreliable and undependable.

Every change in metrics and added mandate does nothing more than contribute to the demise of our waterway tributary system. Every change has had a negative impact and creates a downward spiral in economic growth.

We strongly recommend the Corps conduct a post project evaluation of their navigable waterways. Since navigation is a federal project the Corps has a responsibility to assist us in demonstrating the true benefits and success of our waterways. The RRVA volunteers to assist the Corps in conducting a post project evaluation on the J. Bennett Johnston Waterway.

Congress shares in the blame for the dire situation of our waterways. With the no 'earmark' policy our delegation is unable to provide additional funding for specific projects as was done in the past. I emphasize this because the Administration, which includes the Corps of Engineers, can provide adequate O&M funding if they choose to. Congress has set the level of O&M funding for the Corps of Engineers, but it is the Administration's decision as to which projects get funded and at what level. It is their decision not to fully fund our Waterway O&M. The budget process and metrics used were developed by the Administration, not Congress.

For many projects there is a local sponsor with cost sharing responsibility. Those who have contributed, in most cases, millions of dollars to the process, must have the ability to have a voice for their projects to get funded. That voice is through their Congressional delegation. We do not believe that civil works projects are earmarks and projects that have been vetted through an authorization process should be redefined. It is the responsibility of Congress to appropriate funding. Congress should determine what projects get funded and at what level, but they have chosen not to. We constantly remind our delegation that the appropriation process and setting of priorities is their responsibility.

The main issue for industry is reliability of the Waterway. Costs, associated with delays and reduced drafts, will be passed on to industries making them consider alternate modes of transportation. New industries will reconsider locating on our Waterway if reliable navigation and transportation costs are uncertain. Ultimately the costs will be passed on to consumers having a negative impact nationwide.

We want to invite the MRC and MV Mississippi to consider a low-water inspection trip on the Red River from Old River Lock to the Caddo-Bossier Port, with public meetings in Alexandria, Natchitoches and Shreveport-Bossier City. I am available to assist you in this event.

We want to thank the Mississippi River Commission for having these public meetings to receive input on serious policy issues such as these. Please contact the Association if you have questions, comments or require our assistance in any way: Mr. Richard Brontoli, Executive Director, (318) 221-5233, redriverva@hotmail.com.