Extended Columbia/Snake River Closures: Lessons learned and planning for the future

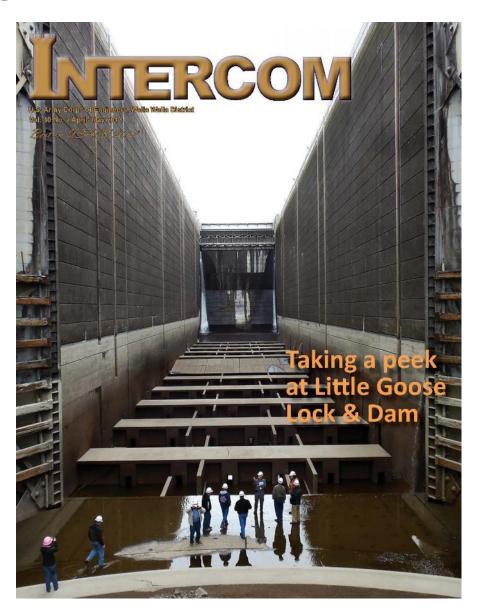




USACE Joint Nav Meeting May 27, 2015

Boardman, OR

Highest lift locks in United States





Major maintenance activities were well planned

Collaborative planning since 2006:

USACE – Portland District
USACE – Walla Walla District
PNWA

- 2007: Identified Columbia and Snake River maintenance and repair needs; drafted timeline
- 2009: American Recovery & Reinvestment Act (ARRA "stimulus") package provided ability to move forward with plans

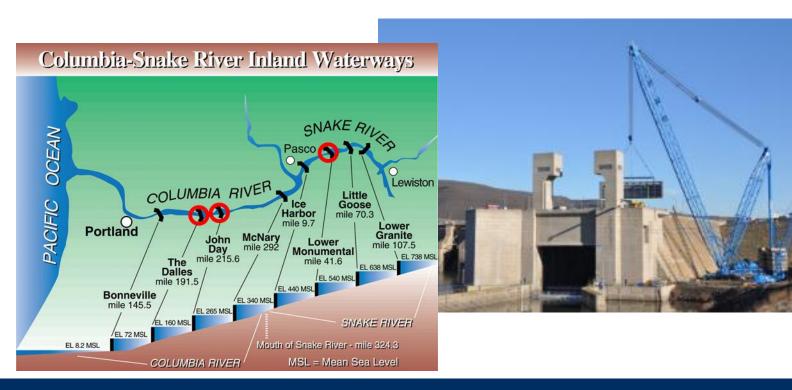
Goal: minimize planned and unplanned system closures





Columbia Snake River Locks Major Repairs – 2010/11

- Significant federal investment
- New gates at 3 locks, major repairs at 3 others in one closure
- Ensures long term viability of the river system
- Avoid emergency, one year closure from catastrophic failure





Challenge: Prepare Regional & Overseas Stakeholders

- Growers & manufacturers
- Shippers
- Ports (inland and deep draft)
- Towboaters, steamship operators, pilots
- International grain customers
- Fuel companies
- Municipalities that ship solid waste
- Media
- Government entities (federal/state/local)



14-month Communications Effort

- Over 30 speaking engagements with growers, shippers, ports, and government entities
- PNWA Nor'westers and fact sheets
- Media outlets over 24 news stories
- Monthly USACE teleconferences
- Weekly USACE website updates prior/during closure
- USACE tours of projects
- U.S. Wheat Associates/PNWA brochure for overseas buyers



Economic Impacts - Labor

- Historic, unique closure = lack of federal assistance for displaced towing industry employees
- Towing companies temporarily laid off 35-67% of employees
- Job sharing, reduced hours offered to some employees
- Benefits packages retained for all employees
- Goal: retain highly trained workforce







Economic Impacts - Wheat



Growers had three choices:

- Sell early
- Ship via truck/rail to export facilities during closure
- Increase ground storage; sell after river system reopens





Economic Impacts - Wheat

- Growers chose the river system
- Wheat volumes before & after the closure increased sharply over historical averages:

BEFORE CLOSURE

September 2010 – 65% increase October 2010 – 20% increase November 2010 – 27% increase

AFTER CLOSURE

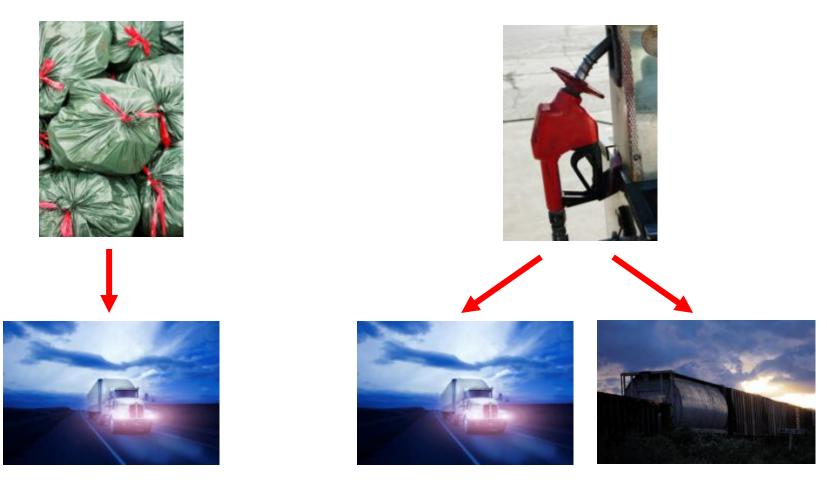
April 2011 – 118% increase May 2011 – 84% increase June 2011 – 88% increase





Economic Impacts – Solid Waste and Petroleum

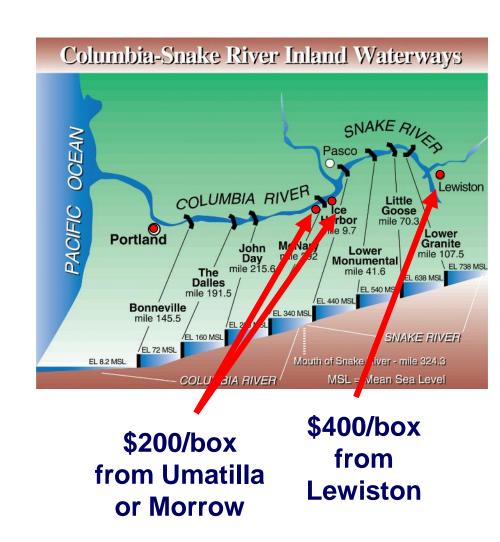
Containerized municipal solid waste & petroleum moved upriver by truck and rail at increased cost



Source: Freight Policy Transportation Institute "Return to the River: Columbia-Snake River Extended Lock Outage"

Economic Impacts - Containers

- Port of Portland Shipper Support Program (SSP)
- Stipend for impacted containeron-barge shippers
- Shippers sent containers via truck or rail during closure
- Port retained <u>all</u> container trade customers during closure



Source: Port of Portland

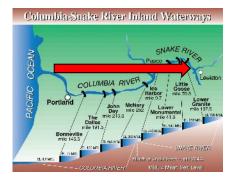
Economic Impacts – Other Products

- Stakeholders with flexibility and/or storage options shipped before & after the closure
- Above-average shipping before/after closure:

Wheat Vegetable products & processed grains Forest products Iron ore



Diesel fuel Fertilizer





Economic Impacts – Shipping Rates

- For commodities that moved via truck and/or rail, transportation costs increased 37.4%
- Truck & rail firms increased rates during the lock closure to capitalize on the lack of barge transportation





Long term planning for inland system repairs

- Corps & PNWA working together
- Continues collaboration that led to success with ARRA funds.

Strategy:

- Identify future major maintenance needs
- Predict and plan for system closures years in advance
- Provide funding vision for Corps HQ and Congress



GOAL IS UNCHANGED:

Minimize planned <u>and</u> emergency closures



We anticipate continued success!

First lockage at LoMo

> First lockage at The Dalles



Opportunities to Stay Informed

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Nor'wester newsletter



