Register Now for the 2013 Annual Meeting
To be held in Savannah September 25-27

Come to Savannah for its history and charm and be dazzled by its innovative and vibrant community. Named one of the nation’s most beautiful cities and home to the nation’s fastest growing and 4th-busiest container port, this year’s meeting, hosted by the Georgia Ports Authority, will address the urgency of investing in our critical water resources infrastructure.

Recognizing the vital importance of all water resources projects to the nation’s economic and environmental well-being, the Senate has passed a Water Resources Development Act for the first time since 2007, with the House poised to move forward in the coming months.

Plan to attend this year’s meeting and hear from government and industry leaders on this critical legislation and the need to act now to ensure America’s global competitiveness, safety and quality of life for the next generation.

Invited speakers include Chairman of the House Transportation and Infrastructure Committee, Rep. Bill Shuster, along with Rep. Jack Kingston from Georgia’s 1st Congressional District. Also slated to attend, high-ranking leaders from the U.S. Army Corps of Engineers, including Lieutenant General Thomas P. Bostick, Commanding General and Chief of Engineers; Major General Michael J. Walsh, Deputy Commanding General for Civil and Emergency Operations; Steve Stockton, Director of Civil Works; and Mark Mazzanti, Chief of the Programs Integration Division.

As part of its We Can’t Wait initiative, the Administration has recognized the deepening of the Port of Savannah as a nationally significant infrastructure project. In addition to accommodating larger ships and strengthening the Port’s position as a global trade destination, the project also includes an extensive mitigation plan. A tour of the port will showcase this important project and the partnership between the Corps and the Port.

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On a sweltering day in July, a group of NWC members gathered with the senior leaders of the U.S. Army Corps of Engineers for the first-ever partnering meeting since signing our Memorandum of Understanding at the Legislative Summit in March.

By formalizing our strong partnership through the MOU, NWC and the Corps agreed to promote partnering throughout our respective organizations, and to hold periodic meetings in furtherance of our mutual goals to promote and sustain a robust civil works program and national water resources infrastructure.

NWC President Amy Larson and the Corps’ Deputy Commanding General for Civil and Emergency Operations, Major General Michael J. Walsh, kicked off the meeting, followed by remarks from Steve Stockton, the Corps’ Director of Civil Works. By design, attendance at the meetings is limited to facilitate open and candid conversation, and the 35 attendees didn’t disappoint. A lively discussion throughout the morning covered the Corps’ civil works transformation, with participation by Jim Hannon, Chief of Operations and Regulatory; Mark Mazzanti, Chief of Programs and Integration; and Theodore (Tab) Brown, Chief of Planning and Policy.

The topics for the afternoon discussion included the Inland Marine Transportation System (IMTS) levels of service and water supply issues, including a forthcoming notice of proposed rulemaking discussed by senior policy advisor Bruce Carlson. All attendees came away with a renewed appreciation of the importance of effective policies and sufficient funding needed to maintain the nation’s critical water resources infrastructure.

Planning is underway for a second partnering meeting later in the year.

What is expected in the water supply rulemaking?

- A notice and comment proceeding, providing for full public participation
- Setting forth the interpretation and requirements of Section 6 of the Flood Control Act of 1944 and the Water Supply Act of 1958
- Establishing a nationwide policy for surplus water uses, to include pricing, and may include other aspects of water supply policy to address current and future issues

Guiding principles

- Water rights are the responsibility of states. The Corps does not own or sell water.
- The Corps must operate its reservoir projects in accordance with applicable federal law.
- Water management serves multiple purposes, including navigation, flood damage reduction, water supply, hydroelectric power generation and recreation.

“Securing the Nation’s Future Through Water”

This video emphasizes the importance of the USACE Civil Works program to the Nation, both at home and in the global economy, highlighting many of its key missions that contribute to the Nation’s economy, environment and quality of life through our water resources infrastructure. View the video here.
As part of its regional focus, the program will delve into water resources issues in the Southeast U.S. and examine how water supply, navigation, hydropower and environmental issues have come into conflict in a water-rich area. Other speakers will address the impact of an expanding federal regulatory reach on project development and maintenance, as well as what declining Federal investments in water resources will mean for states, local governments and the Nation’s prosperity in the future.

Register Now!
www.waterways.org

**FY 14 Appropriations Update**

When the Congress returns from the August recess, one of the first items on the agenda will be funding Federal operations for the fiscal year beginning October 1st. It’s nearly a certainty that a continuing resolution will be necessary, at least for the short term, as the House and Senate versions of the Energy and Water bill differ substantially.

The full House passed its bill in mid-July, immediately drawing a veto threat from the President, largely as a result of cuts to his clean energy program. That bill would provide $4.8 billion for the Corps’ civil works program, including $1.36 billion for construction, $2.68 billion for operations and maintenance, $90 million for investigations, and $249 million for Mississippi River and Tributaries.

By contrast, the Senate Appropriations Committee approved a $5.27 billion funding level, with incrementally higher numbers across the board, including $1.54 billion for construction, $2.7 billion for O&M, $120 million for investigations and $300 million for MR&T. Full Senate action did not occur before the recess.

Links to both the House and Senate reports can be viewed here: http://thomas.loc.gov/home/approp/app14.html

**Bureau of Reclamation funding**

The Senate bill would provide $946 million for the Water and Related Resources fund, to support the development, maintenance, and restoration of water and natural resources in the western states, compared to $813 million in the House, plus another $25 million in an amendment offered by Rep. Noem (R-S.D.).
WRDA Expected After the August Recess

With the Congress in recess until September, indications are that the House Transportation and Infrastructure Committee will seek to mark up its version of the Water Resources Development Act shortly after returning from the August recess on September 9th. Chairman Bill Shuster hopes to move the bill on the House floor promptly after Committee action. At this point, it is believed that discussions are ongoing to secure floor time.

With scant details of what is in the House version, it is anticipated to include various provisions to authorize Chief’s reports and increase 902 levels. Chairman Shuster has been very vocal that the bill will not cede any additional authority to the Administration on these issues, but it is not clear what these provisions will look like. Adhering to the earmark moratorium, the bill will, like the Senate version, be heavy on policy, with provisions to streamline and expedite the process to approve projects.

Elements of the Capital Development Plan, except for the revenue measure, are expected to be included, as well as certain Harbor Maintenance Trust Fund Provisions, although not a guarantee for full expenditure at this stage, as those revenue provisions originate with the Ways and Means Committee. The bill may include a scaled-down levee safety program as compared to the Senate version.

After passage of the House bill, conferees from the House and Senate will be appointed to resolve the differences between the respective bills with the goal of final passage by year’s end.

Make Section 214 Permanent

Urge your Congressional delegation to make Section 214 of the Water Resources Development Act of 2000 (P.L. 106-541) permanent. That provision allows the Secretary of the Army to accept funds from non-Federal public entities to hire additional regulatory staff to expedite the permitting process. It not only reduces permit wait times for the funding entity, but for any individual or organization that makes an application with that District of the Corps. Section 214 authority, currently used by over 41 public agencies in 20 Corps districts, has allowed local governments to move forward with vital infrastructure and ecosystem restoration projects.

Contact your Congressional delegation now to request that Section 214 be made permanent in the forthcoming House T&I WRDA.
Industry Events

July 30-31, 2013
AG Transportation Summit
Rosemont, IL
www.soytransportation.org

August 7-9, 2013
Gulf Intracoastal Canal Association
New Orleans, LA
www.gicaonline.com

August 22, 2013
Red River Valley Association
Durant, OK
www rrva.org

August 27-29, 2013
Tennessee Tombigbee Waterways Development Council
Point Clear, AL
www.tenntom.org

September 23-27, 2013
PIANC – Smart Rivers
Lieve (Belgium) & Maastricht (The Netherlands)
www.pianc.us

October 2-4, 2013
Propeller Club of the United States
Arlington, VA
www.propellerclubhq.com

October 7-8, 2013
Tennessee River Valley Association
Nashville, TN
www.trva-tcwc.org

October 13-17, 2013
AAPA Annual Convention
Orlando/Port Canaveral, FL
www.aapa-ports.org

October 16-18, 2013
American Waterways Operators
Miami, FL
www.americanwaterways.com

October 23-25, 2013
Texas Water Conservation Association
San Antonio, TX
www.twca.org

November 6-8, 2013
Mississippi Water Resources Association
Vicksburg, MS
www.mswater.org

November 21-22, 2013
Atlantic Intracoastal Waterway Association
Charleston, SC
www.atlintracoastal.org

December 5-7, 2013
Mississippi Valley Flood Control Association
New Orleans, LA

December 8-11, 2013
National Association of Flood and Stormwater Management Agencies
San Francisco, CA
www.nafsma.org

June 1-5, 2014
PIANC World Congress
San Francisco, CA
2014congress.pianc.us

Upcoming NWC Events

September 25-27, 2013
Annual Meeting
The Westin
Savannah, GA

March 17-19, 2014
Legislative Summit
The Loews Madison
Washington, DC
In the latest chapter of the on-going effort to revise the Principles and Guidelines called for by the Water Resources Development Act of 2007, in late June NWC submitted comments to the Council on Environmental Quality (CEQ) in response to its publication of the final “Principles and Requirements” and draft “Interagency Guidelines” earlier this year.

The nation’s water resources infrastructure provides life-saving flood control, needed water supplies, shore protection, water-based recreation, environmental restoration, and hydropower production. Moreover, waterways transportation is the safest, most energy-efficient and environmentally sound mode of transportation. With that in mind, NWC’s comments stress that Federal policies governing agencies’ involvement in water resources projects, programs, activities or related actions must establish a clear, concise, and workable framework to guide the development and implementation of these critical projects, and provide a path to balanced solutions, clear and consistent guidance to planners, and replicable results that are understandable to all stakeholders. Unfortunately, the final Principles and Requirements and the draft Interagency Guidelines fail to achieve these results.

Throughout the course of this proceeding, NWC has consistently raised concerns about both the substantive nature of the proposed principles and the procedure utilized to develop them. Our most recent comments can be viewed in their entirety at our website, www.waterways.org. This article contains a brief synopsis of those comments.

At the outset, CEQ has failed to comply with the requirements of the Administrative Procedure Act, 5 U.S.C. § 552, thus requiring these actions to be invalidated and set aside.

Section 2031 of WRDA 2007 directed the Secretary of the Army to revise the 1983 Principles and Standards applicable to planning studies of water resource projects. Thereafter, CEQ took over the process. Regrettably, neither the final P&R nor the draft Interagency Guidelines provide any discussion of the extensive public comments submitted thus far in this process, nor is there any discussion of the extensive analysis and critique provided by the National Academies’ Water Science and Technology Board.

As a consequence, the public, including non-Federal sponsors of water projects who have significant financial investments at stake, have not been provided with the benefit of CEQ’s reasoning, and thus are significantly disadvantaged in deciphering the P&R and attempting to contribute to the draft Interagency Guidelines in a meaningful way.

Notwithstanding the characterization of the P&R as merely policy, by their very nature, the P&R constitute rules because they impose new substantive requirements. They are thus subject to the notice and comment requirements of the APA.

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Cooperation and Collaboration Lead to Resumption of 24-Hour Operations and New Lock Maintenance Plan

by Brigadier General Thomas W. Kula and David Yarbrough

A partnership between the Corps of Engineers and stakeholders along the McClellan-Kerr Arkansas River Navigation System (MKARNS) is paying dividends as the parties have announced the resumption of 24-hour operations and the adoption of a more efficient maintenance procedure plan for the locks and dams along the river system.

Just a year ago, the Corps had implemented a plan, developed as a result of the National Strategy for the Inland Marine Transportation System study completed in 2008, to close five locks along the MKARNS for maintenance four hours each day. Over the last several months, the Corps’ Southwestern Division and the Arkansas-Oklahoma Port Operators Association worked together to develop a new plan designed to save both time and money, as well as maintain the integrity and reliability of the system for those who ship cargo on the waterway.

Effective July 1\textsuperscript{st}, the new plan calls for locks to be closed only as required to enable required maintenance projects to be initiated and completed on a timely basis. Ample notice of these closures will be given to all stakeholders along the system, helping them plan for the closure and minimize the overall impact of closures on the towing industry and their customers while increasing the amount of maintenance performed on the system. By using this plan, maintenance dollars will go farther by allowing better concentration of resources to a given repair, and delays to the shipping industry will be reduced through elimination of the daily closures.

The Corps of Engineers, in its memo regarding the new plan, stated: “This strategy will develop over time and will take significant stakeholder involvement to be successful. Our mutual goal is to have a model system – one that is reliable and resilient – for future generations.”

Brigadier General Thomas W. Kula is the Commander and Division Engineer, USACE Southwestern Division; David Yarbrough is the President of the Arkansas-Oklahoma Port Operators Association and a member of NWC’s Board of Directors.

Check out this video on the MKARNS to learn more about the benefits this marine highway provides to farmers, industry and consumers not only in Oklahoma, but surrounding states as well.

We welcome your suggestions and ideas for the National Waterways Conference at info@waterways.org
Federal Investment in Great Lakes Shipping Must Acknowledge the Integrity of the System

Submitted by the Lake Carriers Association

Great Lakes shipping is not only critical to the economy of the American midcontinent, it has largely defined it. From steelmaking to energy production to construction, heavy manufacturing and agribusiness, the ability to move more than 200 million tons of dry-bulk commodities annually from source locations directly to customers via deep-draft ports and waterways has helped anchor much of America’s core industrial strength in the Great Lakes region, and continues to support its global competitiveness.

One key contributor to that competitive edge is the efficiency gained by Great Lakes waterborne commerce, a unique regional transportation mode in that it functions more as an interconnected “system” than simply a collection of ports and carriers sharing the same geography. Comprised of some 60 active U.S. commercial ports, the system offers an economy of scale that benefits shippers, carriers and ultimately consumers.

Recent studies have documented that water commerce on the Great Lakes annually produces $3.6 billion in savings to the industries it serves compared to the costs of moving the same tonnage by road or rail. And this is under current operational constraints on Lakes shipping from deferred maintenance, i.e. dredging, of Federal harbors and channels. Decades of inadequate Federal budgets for maintenance dredging in the Great Lakes have resulted in the build-up of some 18 million cubic yards of sediment, preventing cargo vessels from loading to their full capacity and best operating efficiency.

At its best, the Great Lakes Navigation System is a model of cost-saving efficiency that combines the economies of deep-draft bulk shipping with a seamless inland delivery capability. U.S.-flag self-unloading bulk carriers have per-trip capacities of up to 70,000 tons and discharge rates of up to 10,000 tons per hour that allow a typical port turnaround of eight to ten hours. A recent study released by the U.S. Maritime Administration notes that the “lakers” can move material from a northern Lake Superior loading dock to a southern Lake Michigan steel mill for $10 to $20 less than the competing modes of transportation.

The limestone trade on the Great Lakes is a good example of how Great Lakes commercial navigation works best as an integrated system rather than a collection of stand-alone ports – and why the Federal program for harbor maintenance should manage it as such.

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Limestone, with domestic shipments on the Lakes averaging over 21 million tons a year, is one of the three mainstays of the U.S. Great Lakes dry bulk trades, along with iron ore (45 million tons) and coal (20 million tons). Crushed limestone quarried from deposits in Michigan and Ohio is a versatile commodity with several commercial applications including as an aggregate for construction, as a component of cement, as fluxstone in steelmaking and in scrubbers to remove sulfur from power plant emissions. This versatility allows the relatively small number of limestone producers on the Great Lakes (six) to have a broad customer base: there are nearly 150 active stone docks in the Great Lakes ranging from small county road commissions receiving sporadic loads of 5,000 to 10,000 tons to hungry integrated steel mills requiring hundreds of thousands of tons a year.

For small harbors with stone docks, however, meeting the tonnage throughput thresholds set by Federal budgeters for maintenance dredging consideration as standalone ports is impossible, thus threatening their continued operation. The erosion of this customer base would have the cumulative effect of reducing viability of the quarries, taking business away from Lake carriers specializing in incremental loads, and ultimately increasing costs for all the core industries benefiting from Great Lakes waterborne transportation, including the U.S. domestic steel industry.

That is no small consideration; despite the economic upheavals of the 1970s and 80s that saw U.S. steelmaking capacity severely contract, 50 percent of U.S.-made raw steel is still produced in the Great Lakes states of Indiana, Ohio, Pennsylvania, and Michigan, and that steel has emerged in recent decades with new competitive muscle in world markets.

The Great Lakes Navigation System played a key role in this revival. According to a U.S. Maritime Administration lengthy report published this year on the status of U.S.-flag shipping on the Great Lakes, the fleet of U.S. Great Lakes bulk carriers “is both a product of the regional steel industry and a key enabler of the development and profitable operation of that industry.”

The Great Lakes Navigation System’s impact goes far beyond the steel industry. A peer reviewed analysis found that total economic output derived from Great Lakes waterborne cargo exceeded $20 billion in 2010, and generated more than 103,000 jobs.

If sustaining this economic engine is a high priority in the Federal interest – and all indications are that it is – attention must be paid to long-deferred infrastructure needs, particularly the maintenance of authorized depths in Federal connecting channels and harbors, maintaining the existing locks, and building a second Poe-sized lock at Sault Ste. Marie, Michigan. But that needed investment cannot be made on a piecemeal, port-by-port basis. The strength of the Great Lakes Navigation System is its integrity as a system and any diminishment of that integrity will have ultimately negative effects.

The Lake Carriers Association has represented U.S. flag vessels on the Great Lakes since 1880. For more information, visit www.lcaships.com
The Coalition for Sustainable Flood Insurance
Fixing Flood Insurance for the Nation

By Michael Hecht

In recent months, it has become clear that Congressional action is needed to address unintended, drastic increases to National Flood Insurance Program (NFIP) rates for home and business owners along our coasts and rivers.

A confluence of the Biggert-Waters Act of 2012 (which was meant to stabilize NFIP), incomplete and inaccurate FEMA maps, and questionable actuarial calculations has led to premium increases of up to 5,000% and more – for policyholders who have built to code and never flooded.

Unless addressed, changes to NFIP will do grievous harm to the very people the program was designed to protect. For example, we are aware of a middle-class homeowner who built to code and has never flooded whose annual premium will go from $633 to a completely unviable $28,554.

A coalition of business and elected leaders from states across coastal and riverine America is forming to address these issues. The new Coalition for Sustainable Flood Insurance (CSFI) supports a stable, fiscally responsible National Flood Insurance Program that protects the businesses and homeowners who played by the rules and built according to code.

Our priorities include:

• Ensuring primary home owners and business owners pay reasonable rates
• Ensuring flood insurance premiums reflect accurate actuarial risk
• Ensuring that the National Flood Insurance Program is actuarily sound, efficiently managed, and sustainable long-term
• Ensuring that FEMA flood maps are accurate and holistic

CSFI is implementing an action plan that includes:

• Working with Congress on legislative solutions that address premium affordability and efficient management of NFIP
• Working with FEMA to address premium affordability administratively and to draw holistic maps
• Educating other regions across the country that will be affected

Since CSFI members began working together, the response by Congress has been swift. In early June, the House passed a bi-partisan one-year delay to premium hikes as a part of the Department of Homeland Security Appropriations legislation. In another show of bi-partisan support, just recently the Senate Appropriations Committee included the same one-year delay in its Homeland Security Appropriations bill, which awaits consideration of the full Senate.

Our organization includes local governments, business and trade associations, and homeowners associations, and we welcome new members. There is no fee to join.

The National Waterways Conference and the National Levee Issues Alliance are pleased to support this effort.

Michael Hecht is the President & CEO of GNO, Inc. Greater New Orleans, Inc. is a regional economic development organization for Southeast Louisiana. For more information about the Coalition for Sustainable Flood Insurance, which is staffed by GNO, Inc., please visit csfi.info or contact Caitlin Berni at cberni@gnoinc.org.
Mississippi River Commission
Annual Low-water Inspection

The Mississippi River Commission will make its annual low-water inspection trip from August 11-23. Public meetings will be held on board the Motor Vessel MISSISSIPPI as follows:

La Cross, WI (Riverside Park Landing) .......... 1:00 p.m., 12 August
Dubuque, IA (City Front) ......................... 1:00 p.m., 13 August
Memphis, TN (Beale Street Landing) ............ 9:00 a.m., 20 August
Vicksburg, MS (City Front) ....................... 1:00 p.m., 21 August
Morgan City, LA (Port Commission Dock) ...... 9:00 a.m., 23 August

Additional information may be obtained at: www.mvs.usace.army.mil/home/mrc2013.aspx, or by email at cemvd-ex@usace.army.mil.

Inland Waterways Users Board to Meet in Louisville

The Inland Waterways Users Board will meet August 13 in Louisville. It is anticipated that the status of construction on Olmstead Lock and Dam and the status of the 902 funding ceiling for Olmstead will be on the agenda.

Current member organizations and their designated representatives are:

- American Electric Power (AEP) River Operations, LLC
  Martin Hettel (Chairman)
- American Commercial Lines, LLC
  Mark Knoy
- AmherstMadison, Inc.
  Robert McCoy
- Bruce Oakley, Inc.
  David Choate
- CGB Enterprises, Inc.
  Scott Leininger
- CONSOL Energy Inc.
  Michael Somales
- Ingram Barge Company
  Daniel Mecklenborg
- Kirby Corporation
  Matt Woodruff
- Parker Towing Company, Inc.
  Charles Haun
- Tidewater Barge Lines, Inc.
  Bruce Reed

Man Up and Wear Your Life Jacket!

Click here to view a water safety video by MG Michael Walsh, USACE Deputy Commanding General for Civil and Emergency Operations.
Connor Nominated to Interior Post

The White House has nominated Bureau of Reclamation Commissioner Michael Connor as the next deputy secretary of the Interior, an agency that oversees energy development, recreation and wildlife protection on one-fifth of the nation’s landmass.

At Reclamation, Connor led Interior’s efforts to gauge climate impacts and promote water efficiency, conservation and drought mitigation. The agency manages 58 hydropower plants and is the nation’s largest wholesaler of water, supplying one of every five farmers in the West. In that seat since 2009, Connor has helped secure a major water-sharing agreement with Mexico and negotiate and implement five Indian water rights settlements.

Section 2031 of WRDA 2007 directed the Secretary of the Army to revise the 1983 Principles and Standards, and indeed, in 2008, the Secretary commenced action to comply with that directive before CEQ took over the proceeding. CEQ was not the agency directed by Congress to revise the Principles and Standards, and hence has no authority to carry out that mandate. An agency can only exercise the power delegated to it by Congress, an axiom for which there is significant legal support.

Similarly concerning is the failure to comply with the public notice requirements of the Government in the Sunshine Act in the issuance of the Final P&R. Although the Water Resources Council was convened for the sole purpose of issuing the final P&R, no public notice of that meeting was ever provided. This lack of transparency undermines the stability of the planning process and is patently unfair to non-federal sponsors and the public alike.

Water resources planning ought to be governed by a well-defined set of over-arching principles which set forth the national interest in water resources planning decisions. While WRDA 2007 envisions multiple national objectives, it does not mandate that every project satisfy multiple objectives. The final P&R goes well beyond what WRDA 2007 intends by requiring that every study include the multiple objectives of economic, environmental, and social benefits. This requirement will lead to including features in projects where they have lesser returns than in other projects, programs or plans. No doubt, there may be opportunities where multiple benefits – and a willing non-federal partner – will lead to a higher return on investment. However, imposing that requirement is impractical, does not reflect the reality of project development, and would result in a waste of scarce resources.

The President has repeatedly linked our nation’s future well-being to infrastructure and the competitiveness of our great workforce in the global economy; water resources development is a critical component in realizing this vision.

Recognizing the critical role of our water resources infrastructure to a robust economy, job creation and environmental well-being, it is imperative that the Principles and Requirements, and Interagency Guidelines establish a clear, concise, and workable framework to guide the development of these critical projects.