In the heart of the Delta, on the banks of the Mighty Mississippi, a record crowd gathered for NWC’s 52nd Annual Meeting. Attendees were treated to a stellar array of speakers and a touch of Hollywood.

The conference opened with a series of insightful presentations by the leadership of the Corps of Engineers, which framed the meeting’s discussions of the challenges facing the nation’s infrastructure, as well as the need to secure a robust civil works program. Panel discussions over the course of the two days touched on issues of importance to all water resources stakeholders, which are reviewed elsewhere in this newsletter. All presentations are on our website, www.waterways.org.

Flood control, NFIP and FEMA mapping issues were addressed by Adam Telle, Legislative Assistant for Senator Thad Cochran, the Senior Senator from Mississippi, and Dan Delich, Director of the National Levee Issues Alliance. A discussion of water supply challenges, including a review of interstate litigation over water rights issues, was presented by an expert panel from Texas, Kansas, Alabama and Georgia. Given the spirited discussion, one might wonder whether college football rivalries are tantamount to the water supply conflicts.

In response to the critical funding shortfall facing the nation’s infrastructure needs, Richard Ornitz, Founder of Infralinx, an international infrastructure investment and development company, and chair of the infrastructure practice group at Patton Boggs, challenged attendees to think of alternative financing as a way to provide a private sector solution to the Corps’ problem of too many projects and not enough money.

As if in response, Jim McCarville, Executive Director of the Port of Pittsburgh, provided a compelling answer to the question, “Are the waterways worth saving?”

John Barry, best-selling author of Rising Tide: The Great Mississippi

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Flood of 1927 and How It Changed America, opened with a quote from T.S. Eliot, “the river is within us, the sea is all about us,” as a preface to his remarks that the political barriers to addressing the nation’s infrastructure challenges, notably those facing Louisiana, are more difficult to resolve than the technical ones. But he implored the crowd—the nation must protect its assets and the benefits they provide. As a fitting bookend, he concluded his remarks quoting 17th century English poet and cleric, John Donne:

No man is an Island, entire of itself; every man is a piece of the Continent, a part of the main; if a clod be washed away by the sea, Europe is the less, as well as if a promontory were, as well as if a manor of thy friends or of thine own were; any man’s death diminishes me, because I am involved in Mankind; And therefore never send to know for whom the bell tolls; It tolls for thee.

Meeting attendees enjoyed dinner at the Tunica Riverpark, and the opportunity to mingle with special guest, Morgan Freeman. Guests had the chance to explore the Mississippi River Museum to better understand the history of America’s Greatest River, with exhibits on the Mississippi River Commission and the Corps of Engineers. An observation deck and veranda offered spectacular views of the Mississippi River, while listening, and dancing, to the great sounds of Mississippi’s own Delta Blues musician, James “Super Chikan” Johnson.
NWC Officers and Directors

Elected for the Coming Year:

**Officers**

- **Chairman of the Board:** Sykes Sturdivant, Yazoo-Mississippi Delta Levee Board;
- **Vice Chairman:** Jim Oliver, Tarrant Regional Water District;
- **President:** Amy Larson, National Waterways Conference, Inc.;
- **First Vice President:** Jamie McCurry, Georgia Ports Authority;
- **Vice President:** Darwin Nelson, CDM Smith;
- **Secretary:** Evelyn Suarez, Williams Mullen;
- **Counsel:** Steven Burns, Balch & Bingham, representing Alabama Power;
- **Treasurer:** John Janoush, Jantran

**Board of Directors**

Representing associations, for a term ending in 2015:

- Barry Holliday, Dredging Contractors of America;
- Mindy Poldberg, Iowa Corn Growers Association;
- Kim Robinson, Upper Mississippi, Illinois and Missouri Rivers Association;
- Jim Weakley, Lake Carriers Association;
- Ted Coombes, Southwestern Power Resources Association.

To fill a seat for a term ending in 2013: André MacDonald, Fort Bend Flood Management Association;

To fill a seat for a term ending in 2014: Brad Pickel, Atlantic Intracoastal Waterway Association.

**Representing corporate members:**

- David Choate, Oakley Barge Line;
- Craig Stepan, Superior Shipping;
- Steve Taylor, Johnston’s Port 33;
- Roger Lindner, Burlington River Terminal;
- Lucy Fletcher, AGRI Services of Brunswick.

Representing public members: for a term ending in 2015:

- Jeff Florin, Virginia Port Authority;
- Larry Dowdy, Little River Drainage District;
- David Yarbrough (Tulsa Port of Catoosa);
- Jim Oliver, Tarrant Regional Water District;
- Rob Rash, St. Francis Levee District.

To fill a seat for a term ending in 2014: Gene Higginbotham, Arkansas Waterways Commission.

**Executive Committee**

- Larry Dowdy, Little River Drainage District;
- Terah Huckabee, Parker Towing Company;
- Cline Jones, Tennessee River Valley Association;
- Mindy Poldberg, Iowa Corn Growers Association;
- Tom Ray, Texas Water Conservation Association;
- Steve Taylor, Johnston’s Port 33;
- Mark Hommrich, Volunteer Barge;
- Randy Richardson, Port of Memphis;
- Jeff Florin, Virginia Port Authority.
Challenges and Partnership  By LTG Thomas P. Bostick

I greatly appreciated the opportunity to meet many of you at the recent meeting in Tunica. I’m glad Mr. Steve Stockton, Mr. Mark Mazzanti, several others from the U.S. Army Corps of Engineers, and I were able to join you. Interagency Integrated Water Resources Management is in every way a team sport, so it is extremely important that the broader team know what we are doing, and what we must do, to address the water resource challenges facing our Nation. The U.S. Army Corps of Engineers is, of course, only one of many members of the team. That is why it is always very valuable for us to hear from you, whether in Tunica or elsewhere.

The Nation does benefit from wise, common-sense and sustainable water resource policies and programs. The whole team will need to stay involved to ensure we continue to achieve this. The full spectrum of water resources stakeholders, including flood control associations, levee boards, waterways shippers and carriers, industrial and agricultural water users, watershed associations, port authorities, shipyards, environmental organizations, recreational users, non-governmental organizations, state and local governments and many, many other organizations and interested parties are needed to develop and implement effective National water resources policies and programs.

We greatly value your contributions as teammates as we execute our part to support the larger interagency effort. Civil Works transformation is our highest priority in executing our responsibility with National water resources, and it is important for our Nation’s long-term water resource security and sustainability, especially in the current fiscal environment. To deliver the best possible Civil Works products and services to the Nation, we will need to:

- Modernize the project planning program.
- Improve methods of delivery to produce and deliver engineering solutions and services on schedule.
- Work with the Administration, Congress, stakeholders and our internal team to enhance and refine the budget development process through a systems-oriented watershed approach, collaboration and innovative financing.
- Evaluate the current and required portfolio of water resources projects through a measurable, reliable and sustainable infrastructure strategy.

We have some great, recent examples of delivering quality civil works planning efforts and projects on schedule and under budget, and, at the same time, accomplishing this work in the context of larger systems, watersheds, and/or coastal zones through a collaborative process with diverse groups and interests. Collectively we must move to these more effective models of interagency execution and delivery. Our objective is to replicate these recent successes elsewhere in the Nation. This will require continued support from the Administration, Congress, other government agencies, stakeholders, and of course, the leaders in the U.S. Army Corps of Engineers.

Most of our civil works projects are more than 50 years old. There is a pressing National need to either recapitalize these assets to maintain their current and future viability, or to repurpose or divest them. As our infrastructure has aged and deteriorated, the funding to address critical

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Maintenance and rehabilitation needs have decreased. As you already know, these factors place a strain on our ability to fully ensure the safety of the infrastructure, maintain it to meet performance goals, and efficiently provide the comprehensive benefits for which projects were designed and constructed. As a result, a new approach to budgeting for the Civil Works program is essential to address the Nation’s needs. We must also continue to find better ways to operate and maintain our aging federal infrastructure. In many ways, our old way of doing business is simply unsustainable.

We value your assistance in helping us transform the Civil Works process. Your efforts in strengthening the partnership with, and between stakeholders, industries and beneficiaries of our Nation’s water resource systems will greatly benefit the Nation, especially as we move to a watershed approach.

We will continue to work with other governmental and non-governmental partners in ensuring National, regional and local water resource priorities are clearly established and understood in order to maximize the benefits of our Federal investments. We anticipate that many of you will continue to have both an interest, and a stake in this effort. We value your contributions to the larger interagency and non-governmental organization team that will address many of our Nation’s future water resources challenges. While there are many challenges ahead, I see the current environment as great opportunity for all of us to work together to make a real difference for many years to come. It’s great to be on the same Team with you!

Lieutenant General Thomas P. Bostick is the Commanding General and Chief of Engineers, U.S. Army Corps of Engineers

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**Welcome New Members!**

- **Maritime Administration**
  Washington, DC
  Richard Lolich

- **Pike and Scott County Farm Bureaus**
  Pittsfield, IL
  Blake Roderick

- **Quaternary Resource Investigations, LLC (QRI)**
  Baton Rouge, LA
  Fonda New

- **North Texas Municipal Water District**
  Wylie, TX
  James M. Parks

- **Port Authority of Kansas City**
  Kansas City, MO
  Michael Collins
Drought Concerns Continue

Drought conditions continue to plague the Midwest, exacerbating concerns for U.S. farmers and the navigation industry.

With predictions that the Great Plains will likely remain in drought going into next spring, along with average precipitation through the winter, the Corps is planning lower-than-normal releases from Gavins Point Dam near Yankton, S.D., from December through February, as a drought-related conservation measure. Details about those plans were to be discussed at a public meeting for the Corps’ Draft Annual Operating Report on October 31 in Sioux City.

If drought conditions persist into next spring, releases are expected to continue to be below normal, affecting the navigation channel from Sioux City to St. Louis. The navigation season could not only be shorter, but the channel would be only 8 feet deep rather than 9 feet, forcing river barges to carry lighter loads. Continued low runoff could also lead to lower reservoir levels, possibly affecting recreational activities such as boating and fishing.

RAMP Update  By Barry Holliday

Even though the focus is on the elections, (and maybe a little on the baseball playoffs), the RAMP coalition has been active, and with good reason. The Continuing Resolution (CR) funds the Corps’ dredging program at the FY 2012 level plus a very small increased increment. So far no supplemental, even though there continues to be hope in the Lame Duck session (along with everything else one can think of). What will happen post-election is the topic of much discussion and crystal balling, and expectations are clouded with uncertainty.

The Senate Appropriations multi-faceted navigation funding initiative (purportedly including provisions for HMTF as well as the inland waterways trust fund) continues to be worked and talked about in many venues both inside and outside the beltway, but details as well as draft legislation are still being held close. Similarly, Senate Environment and Public Works Chairwoman Barbara Boxer has tasked the majority staff with drafting a WRDA bill, and although several Senators have submitted their requests for inclusion, its fate remains unclear in this “no earmark” climate. And, we understand the House and Senate Appropriations Committee staffs have been directed to start pre-conferencing the FY ’13 appropriations bills. The objective is to be ready to move quickly to resolve differences in the (unlikely) event the window opens during the lame duck. Even if the bills don’t get completed in the lame duck, the agreements made now could become the starting point for any decisions early next year, as the CR expires at the end of March.

So what can you do? Continue to push for increased funding for the Corps’ navigation budget, in a supplemental and/or appropriations bill. Oh, by the way the FY 2014 budget for the Corps is expected to be less than 2013! Continue to encourage support for legislation that will fully use all the annual revenues from the Harbor Maintenance Tax for their intended purpose, and encourage candidates new and old to champion this cause. Thanks for your efforts.

Barry Holliday is the Chairman of the Harbor Maintenance Trust Fund Fairness Coalition.
The Looming Fiscal Cliff

A bipartisan group of senators, the so-called Gang of Eight, have held a series of talks aimed at developing a framework to avert the looming fiscal cliff—a combination of expiring tax rates (the Bush tax cuts) and automatic, across-the-board spending cuts, called for in last year’s debt limit agreement.

The group includes Mark Warner, D-Va., Majority Whip Richard J. Durbin, D-Ill., retiring Budget Chairman Kent Conrad, D-N.D., Michael Bennet, D-Colo., Tom Coburn, R-Okla., Saxby Chambliss, R-Ga., Michael D. Crapo, R-Idaho, and Mike Johanns, R-Neb. Focused on developing a compromise package of spending cuts and revenue-raising measures similar to those proposed by the National Commission on Fiscal Responsibility and Reform, the group heard from the Commission’s cochairmen, former Sen. Alan K. Simpson and Erskine Bowles, the White House chief of staff under President Bill Clinton.

Despite the ongoing discussions, a serious proposal is not expected before the elections, as lawmakers from both parties are waiting until after November 6th to see how their parties fared and to learn who will control the White House in 2013.

Business As Usual?

On October 4, the National Research Council released a draft (pre-publication, pre-correction) report on Corps of Engineers infrastructure entitled “Corps of Engineers Water Resources Infrastructure: Deterioration, Investment, or Divestment?” Essentially, this report confirms the obvious conclusion that the present levels of priority and funding available to the Corps’ civil works program are unsustainable to meet the nation’s water resources needs and challenges, both now and into the future.

The report, one in a series of five, was commissioned by the Corps to offer an outside view of the agency’s current directions, missions and problems associated with the civil works program.

Specifically, the committee was to consider “navigation, flood risk management, hydropower, and related ecosystem infrastructure managed by the Corps.” The Corps should be commended for submitting itself and its conduct to outside scrutiny—something most government agencies are loathe to do. The Corps certainly gets its share of criticism (or more than its fair share some would say). Occasionally that criticism is warranted, sometimes not. In either case, it accepts the criticism and attempts to use it constructively. (How many of the rest of us can say the same thing?)

Properly used, the report could also encourage a useful discussion on our national water resources investment needs—a continuing priority of the National Waterways Conference. However, as now drafted, the report also contains a number of problematic statements, conclusions and focus areas. Some of these are troubling enough to significantly diminish the report’s usefulness. Let’s review some of these.

First, and despite what seemed to be in its charge as briefly summarized above, the report is limited to a focus on Corps of Engineers’ so-called “hard infrastructure—locks, dams (both navigational and multi-purpose), other navigation infrastructure (e.g., river control structures, federal harbor and port facilities), hydropower plants, and levees and other flood protection infrastructure.” Most of us have come to realize

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that it is less-than-helpful to limit a discussion of water resources to a few beneficiary categories. There is so much competition for water among an ever-growing number of potential users that all major use categories must be considered together. Not just navigation and flood control, but water supply, hydropower, recreation and particularly, aquatic ecosystem restoration, given its elevated place among the three primary Corps mission areas. In an apparent conflict with the focus of the report on “hard infrastructure,” the report even acknowledges the problem by stating that although it “does not include a section on ecosystem restoration, the Corps hard infrastructure discussed herein often is integral to restoration efforts.” Yes it is. So why leave it out of the discussion?

Aquatic ecosystem restoration is a rapidly expanding primary mission area for the Corps and, given the largely static budget authority for the overall civil works program, that expansion is clearly squeezing traditional areas devoted to economic development and thus creating some of the funding problems discussed in the report. How can we objectively consider hard infrastructure in a vacuum without considering alternative financing for environmental restoration or even the possibility of moving it to another entity (Federal perhaps) with a greater comparative advantage for carrying it out? All mission areas of the Corps as well as the relative distribution of budget authority among investigations, construction and operations and maintenance compete in the same overall pool for resources. Looking at a few mission areas in isolation isn’t particularly helpful.

Another matter of concern in the report originates in the statement that “the country’s water resources infrastructure is largely built-out, and there are limited sites to construct new projects.” Given the fact (mentioned in the report) that the Corps has a backlog of authorized but unconstructed projects totaling over $60 billion, that statement is absurd on its face. A growing population, its geographic redistribution, the rapid expansion of international trade, and a host of other factors make responding to new water challenges an ever-present problem—including building new “hard” infrastructure. In just one state, Texas, the forward-looking 2012 state water plan has identified the need for 562 unique water projects, including 26 major reservoirs, to be built over the next 40 years to provide for the state’s rapidly growing population. An assertion that its water resources infrastructure is largely built-out would come as quite a shock to that state.

The same can be said for other geographic areas and other benefit categories. For instance, just a very few major U.S. ports have (or will in the foreseeable future have) the 50-foot channel depths required for the world’s modern fleet of post-Panamax ships. Our ports are competing against—and attempting to trade with—major ports world-wide. These include Singapore with a channel depth of nearly 53 feet, the huge new Chinese port of Yangshan near Shanghai with 50 feet and Rotterdam, which maintains a channel depth at a whopping 75 feet. Does anyone really think that the significant cost advantage afforded by larger ships requiring deeper channels has reached its peak or that the mammoth scale of the U.S. economy can dictate static ship sizes indefinitely or that three or four U.S. ports can handle all of our deep-draft needs in a globalized economy? We very much doubt it. Ports are clearly not “built-out.”

Related to these problems, the report also seems to disregard the need for new WRDAs. We would assert that the growing needs described above and many others we haven’t mentioned argue for just the opposite—a new WRDA sooner rather than later. Such a bill should also take a forward-looking view of the nation’s strategic needs related to water and contain a direction to the Corps to aggressively pursue that direction. The Administration...
should propose such a bill now, and the Congress should act on one as soon as possible.

The report also contains a host of old claims and new assertions that are often espoused by the environmental crowd, but which are routinely proven false, often with devastating results. It over-emphasizes a reliance on non-structural flood control—which isn’t a bad idea but which will never replace the dominating need for structural solutions to protect our expanding population. And it includes the odd claim that “large portions of the inland navigation system were built before completion of the U.S. interstate highway system.” [true but irrelevant] And “there may be instances today where trucks offer viable alternatives for shipment of commodities, fertilizer, aggregate, and other goods, especially in combination with rail infrastructure.” This may conceivably be true in a few isolated instances, but waterborne transportation of bulk commodities along our inland navigation system remains far and away more economical and more environmentally friendly to boot. These statements and others like them take away from the credibility of the report.

We suspect that many of the failings of the report can be traced to the composition of the team.

### Industry Events

**October 21-25, 2012**
American Association of Port Authorities
Mobile, AL
[www.aapa-ports.org](http://www.aapa-ports.org)

**October 22-25, 2012**
PIANC dredging
San Diego, CA
[www.pianc.us](http://www.pianc.us)

**October 24-26, 2012**
Texas Water Conservation Association
San Antonio, TX
[www.pianc.us](http://www.pianc.us)

**November 1-3, 2012**
Women on the Water
Bronx, NY
[www.sunymaritime.edu/WOW](http://www.sunymaritime.edu/WOW)

**November 7-9, 2012**
Mississippi Water Resources Association
Biloxi, MS
[www.mswater.org](http://www.mswater.org)

**November 13-14, 2012**
Atlantic Intracoastal Waterway Association
Charleston, SC
[www.atlintracoastal.org](http://www.atlintracoastal.org)

**November 13-15, 2012**
Waterways Council, Inc.
Houston, TX
[www.waterwayscouncil.org](http://www.waterwayscouncil.org)

**November 15, 2012**
Red River Valley Association
Shreveport, LA
[www.rrva.org](http://www.rrva.org)

**December 6-8, 2012**
Mississippi Valley Flood Control Association
New Orleans, LA

**March 3-7, 2013**
Pacific Northwest Waterways Association
Washington, DC
[www.pnwa.net](http://www.pnwa.net)

**April 16-19, 2013**
American Waterways Operators
Washington, DC
[www.americanwaterways.com](http://www.americanwaterways.com)

### Upcoming NWC Events

**March 11-13, 2013**
Legislative Summit
The Madison
Washington, DC

**September 25-27, 2013**
Annual Meeting
The Westin
Savannah, GA
The Corps Says “Yes”

by MG Michael J. Walsh, Deputy Commanding General for Civil and Emergency Operations and Steven L. Stockton, P.E., Director of Civil Works, U.S. Army Corps of Engineers

There is a perception that the Corps is saying no more and more frequently to those we serve. But there is more to the story. What we are actually saying is no, we cannot do all that is expected of us using the traditional federal appropriations process. The Nation is in a fiscal crisis, there was an elimination of earmarks, and budgets come in continuing resolutions in monthly or multi-month increments. The process has shifted. We have learned from our friends in the Valley—never argue with the weather—so to get to yes, we must develop a new business model that supplements the limited federal appropriations that we do receive, improves our methods of delivery and develops infrastructure solutions that provide the highest rates of return.

Bottom line is that the current federal financing of water resource infrastructure is unsustainable (random acts of appropriations). If we are to meet your needs, we need to transform our way of doing business. This path is NOT for the faint hearted!!

WE are a Maritime Nation. Our Navigation channels support international trade, produce one-third of U.S. Gross Domestic Product (GDP) and support almost 14 million jobs. Additionally, the U.S. Army Corps of Engineers brings value to the Nation through a flood-risk reduction program that prevents $22.3 billion in average annual damages; the sale of clean, green hydropower at $1.5 billion a year; and water-based recreation facilities enjoyed annually by one out of every 10 Americans.

But there’s a catch. The Nation’s water resources infrastructure is getting older, and is being used more heavily than it was designed for. The Water Science and Technology Board of the National Research Council released its latest report to the public on October 4, 2012. The report, “Charting a Sustainable Path for Corps of Engineers Water Resources Infrastructure,” concludes that “Business As Usual is No Longer Viable for Managing U.S. Army Corps Water Infrastructure.”

Operating demands have grown and changed throughout the past 30 years while maintenance and repair funding have remained about the same. USACE’s urgent operations and maintenance backlog is now $1.01 billion. The funding has remained flat in nominal terms and declined in real terms. Recent supplemental funding increases have, for the most part, only restored capabilities lost due to damage from major events, such as Hurricane Katrina in 2005 and the 2011 flood events across the Mississippi River, Missouri River and other parts of the country. Meanwhile, shifting demographics, climate variability and globalization are increasing demands on an already stressed infrastructure. U.S. population growth is not only increasing but also becoming more urbanized and concentrated in coastal areas with increased risk of severe weather events. In addition, arid regions that already face limited availability of fresh water are experiencing increased population growth.

The Corps of Engineers Civil Works program suffers from chronic underfunding for essential infrastructure systems, and sometimes the results are catastrophic. Following

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Hurricane Katrina in 2005, an ASCE investigation reported that chronic underfunding and indifference to maintenance were the principal causes of the levee failures. If a project is not sufficiently funded, we are required to scale it back, delay implementation, or say “no” to many worthwhile projects.

Several of our navigation business lines, such as waterway construction and harbor maintenance, are partially funded by trust funds, but these aren’t viable for different reasons. The Inland Waterways Trust Fund isn’t working because not enough money is going into it. The Harbor Maintenance Trust Fund collects $1.4-1.5 billion annually, but the Corps only gets about half of it back to use for its intended purpose.

Much as we might like to imagine it, we can’t print all the money needed to take care of our maintenance backlog and build all the authorized projects that would provide good economic or environmental returns on the investment. Nor can we float an enormous bond issue to do it—imagine taking out a loan for the $2.2 trillion that ASCE estimates it would cost to put all America’s infrastructure (not just that managed by USACE) into first class shape!

SO while we have to do less with less, let’s say YES to understanding the problem and solve it!

So let’s say YES to expand the sense of team! Yes to facing up to the facts and act accordingly!

Do we BELIEVE these are REAL problems or just AGREE—there is a difference; it’s called conviction!!

The power of an idea!! Civil Works Transformation.

There are, however, things we can do. The Corps is aggressively pursuing a strategy for stewardship of this vital portfolio and asking for support from its stakeholders and the public in order to create a shared responsibility with reliable solutions to address the Nation’s needs.

If we are to meet your needs, we need to transform our way of doing business. This path is NOT for the faint hearted!!

To address the Nation’s needs and continue to provide value to the Nation, we are transforming our Civil Works program and our culture to improve performance and responsiveness, as well as increase customer satisfaction, public trust and confidence. We’re also striving to reinforce our competitive edge by enhancing skills, expertise and quality of products.

The Budget development transformation is linking budget business lines to national objectives, strategic goals, and current and emerging needs; seeking alternative and innovative financing options to supplement appropriated funds and working to demonstrate a more justifiable defense of budget allocations through a framework that promotes integrated water resources management.

Our Planning modernization is focusing on shortening the study timeframe for lower costs but more successful outcomes with a prioritized current portfolio of planning studies that follow the 3X3X3 rule (feasibility studies completed in no more than 3 years, $3M and three levels of engagement), and streamlined planning reports. Completing studies in reasonable time frames and with more cost effective solutions will be coupled with recruiting, developing and sustaining high quality planning expertise and updated guidance.

The Nation’s infrastructure is not sustainable and decreasing budgets will exacerbate the lack of attention to this water resources jewel. Our strategy includes an assessment of desired levels of service for levels of risk and the consequences of failure, and ensures that the value for services provided by water infrastructure is worth the investment of public resources to construct and maintain it. We are working with private industry architects and engineers, construction firms and private equity firms to
find ways to develop alternative financing strategies and options to supplement appropriations. Alternative financing options include Public Private Partnerships (PPP), User Fee Enhancements and Infrastructure Banks.

Transforming the Civil Works program requires state of the art processes and methods of delivery, and a highly skilled workforce that is ready to respond to current and future demands. Our strategy is to have reliable and efficient methods of delivery by linking technical capabilities to desired levels of service and high standards; developing and retaining in-house expertise to reduce dependence on external experts and maintain core competences and having consistent approaches throughout the Corps. The end result will be a “yes” to providing high quality and timely products and services to our customers and stakeholders.

Bottom line, the USACE will improve America’s water resources infrastructure by:

- BUDGETING sufficiently and creatively for a robust portfolio of infrastructure,
- PLANNING projects that offer sustainable solutions to the Nation’s water resources challenges,
- DELIVERING products and services to the highest quality standards with excellent technical capabilities, and
- Evaluating and SUSTAINING INFRASTRUCTURE designed to provide water resources solutions ready and able to deliver excellence today and tomorrow.

If it is true that there is greater security in numbers, then the contribution of many committed and knowledgeable water resources managers and beneficiaries will illuminate a pathway to a more secure water future for America. BUT the path is NOT for the faint-hearted!!

One of the roles of the Federal government is that of providing access to information through a common data hub—the Federal Support Toolbox for Integrated Resources Management—that will go far toward building a knowledge base and a community of practice capable of spurring efforts, identifying creative approaches, breeding innovation, establishing watershed-based test beds for new and better ideas, and finding common ground stable enough to support joint projects and budgets to secure America’s water future.

The overall approach we intend to pursue with regard to water is, “If you can do it we can help.” Such help will take the form of enhanced, more comprehensive, and more accessible information within the Federal sector, including baseline conditions about the state of water resources today; aligned authorities and programs to leverage Federal assets for the benefit of the States; watershed-scale initiatives to pull resources together for regional impact; and a tightened and dedicated network of water professionals to lend assistance, expertise, insights, and creativity to the task at hand: securing a more reliable water future.

Water resources infrastructure is vital to the Nation: States, Tribes, local governments and the public. It is also a shared responsibility among all of them. As such, the floor is open for input and an exchange of ideas, especially those with novel approaches. As USACE’s definition of success evolves, so will our efforts to pursue that success. We have held, and will continue to hold, stakeholder and listening sessions to provide opportunities for industry, local governments and the public to ask questions and to make suggestions. When the opportunity presents itself, be sure to join the dialogue and help us to say “yes” to a reliable and sustainable infrastructure.
The National Waterways Conference will provide an important opportunity for those of us engaged in water supply. Through the efforts of NWC President Amy Larson, an avenue of communication with the Corps of Engineers, at the Headquarters level, has been established for NWC to receive updates and provide input on what is now referred to as the “Civil Works Transformation” process. The water supply interest should be at the table.

As the Corps of Engineers takes on its budget challenges and works to maintain and operate projects in the new normal of federal budget cut-backs, it must propose and implement cost-cutting measures that will affect all its local sponsors. The Corps’ budget challenges are local stakeholder challenges—the resolution of how to stretch budgets or reallocate participation and cost-shares or divest projects or even undertake new funding options using private capital, cannot be left to the Corps alone. The Corps recognizes that fact and is seeking stakeholder input. The local stakeholders must participate with the Corps in seeking desired economic outcomes that continue to provide the core project benefits—not only from a national perspective but from the perspective of the long-term, historical benefits to the local communities and regional areas.

The Corps’ leadership made a series of excellent presentations at the recent National Waterways Conference meeting in Tunica. The newly appointed Chief of Engineers, LTG Thomas Bostick, gave an overview of the USACE focus for the future. Chief Bostick cited military preparedness and the Civil Works transformation as critical needs. He recognized that the nation’s water resources infrastructure has exceeded its design life and will require more extensive maintenance and rehabilitation in the future. In light of the new normal of limited federal funds, “The Corps will have to prioritize projects and programs with rigorous analysis to ensure the greatest value for the taxpayer funds.”

Certainly the aging civil works infrastructure is one of those challenges. Important to water supply, Chief Bostick noted that as dams have aged and downstream development has increased, the number of deficient dams has risen to more than 4,000, including 1,819 high hazard potential dams. Over the past six years, for every deficient, high hazard potential dam repaired, nearly two more were declared deficient. There are more than 85,000 dams in the U.S., and the average age is just over 51 years old.

With respect to the Civil Works program, Chief Bostick provided the overview and Steve Stockton the specifics of the Civil Works Transformation. It is important that NWC members, particularly those who are local sponsors for Corps projects, become familiar with the process.

As presented by the Corps, the objective of the Civil Work Transformation is to deliver the “best possible products and services to the Nation” by:

- Modernizing the project planning process (Feasibility Studies—3 years x $3 million x 3 levels of review AND less than 3” binder);
- Working with the Administration, Congress, and our internal team to enhance and refine the budget development process through a systems-oriented watershed approach, collaboration, and innovative financing;
- Evaluating the current and required portfolio of water resources projects through a smart infrastructure strategy;
- Improving methods of delivery to produce and deliver critical products and services on schedule; and,

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“NWC Opens Door for Water Supply Stakeholders”, continued from page 13

• Engaging other governmental and non-governmental partners in working toward National, Regional and Local priorities.

At least at this point, how these objectives will translate to local projects is not clear; however, it is clear how the engagement with the Corps can effectively begin: through the NWC lead, one-on-one and face-to-face discussions with the Corps leadership.

At the Tunica meeting, the Corps made it clear that the Civil Works Transformation would be a long process, having to address challenging issues that will require changes or additions in Congressional authority. The Majority Staff Director of the Transportation and Infrastructure Water Resources subcommittee agrees. In a recent conversation, he pointed out that the Corps had notified the subcommittee of some administrative efforts to curb costs, but recognized that any major changes involving cost-share changes, divestments, even public-private financing, will likely require WRDA authorizations. The most effective means of carrying the needed changes in authority to implement the Civil Works Transformation would be for those proposals to be supported by the Corps local, regional, and state partners.

In light of this NWC opportunity, a couple of distinguishing points with respect to water supply stakeholders are important to recognize. Compared to waterways and navigation interests, the water supply stakeholders are autonomous and diversified. In my opinion, there has not been one association or organization that speaks effectively from a national perspective directly with the Corps on water supply interests. It has always been a challenge for water supply interests to speak with one voice, particularly on a national level. Certainly associations like the Texas Water Conservation Association and the Association of California Water Agencies have helped unify the message. This opportunity with the NWC to join in the Civil Work Transformation interchange gives water supply interests a voice at the table and, importantly, a water supply point of contact for the Corps. It is an opportunity that water supply interests should fully engage.

Tom Ray is a member of NWC’s Executive Committee and Board of Directors, and serves as the Federal Issues Chair for Texas Water Conservation Association.

Hope Springs Eternal for Section 214 Permanence

With news of the Senate marking up a WRDA bill following the election, the quest for inclusion of language to make Section 214 permanent is again kicked into high gear. As many know, Section 214 of WRDA 2000 is the authority that allows the Corps to accept funds from non-Federal public entities, like ports, 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.

The authority was first authorized in WRDA 2000 and has been limping along with short term extensions, perpetuating a cycle of uncertainty. Ports, cities and counties around the nation utilize the authority, which was most recently extended to December 31, 2016 in a standalone bill passed in 2010. Each time the authority approaches sunset, Corps districts are unable to enter into new Section 214 agreements. When the future of the authority is uncertain, districts make term appointments rather than full-time hires for Section 214 positions. The
shorter the term appointment, the fewer qualified job candidates typically apply.

Section 214 has transformed from an authority utilized in the Pacific Northwest to one that is vital around the nation. In 2001, there were only three entities in the U.S. that utilized this authority—the Ports of Seattle and Tacoma and the City of Seattle. Today, there are active WRDA Section 214 agreements between eight Corps Districts and 29 non-federal public entities. California, Texas, Washington, Florida and Oregon have the highest number of agreements. This extremely effective tool has led to increased transparency and improved coordination between Corps Districts and stakeholders nationwide, and includes safeguards to ensure Corps impartiality when reviewing permit applications from Section 214 funding participants. It allows public entities to plan and develop projects in a more timely manner, improving competitiveness for individual organizations and for the nation as a whole, and often resulting in significant savings of local taxpayer and ratepayer dollars.

The Pacific Northwest Waterways Association (PNWA), based in Portland, Oregon, leads a national coalition in support of Section 214. They partner with NWC, the U.S. Chamber of Commerce, the American Association of Port Authorities (AAPA) and others to advocate for permanence. Their recent outreach efforts include work with minority and majority Senate Environment and Public Works (EPW) staff, the Northwest Senate delegation and Corps Headquarters. PNWA was able to brief staff prior to an EPW Committee hearing on September 20th. The hearing highlighted the importance of a WRDA bill, as well as key pieces of the legislation including Section 214 permanence. PNWA continues, along with its national partners, to ensure that the authority is made permanent in the next WRDA bill, in 2012 or beyond.

For more information, please contact Amy Larson of NWC at amy@waterways.org or Heather Stebbings of PNWA at heather.stebbings@pnwa.net.
The Bickel Award is named for John P. Bickel who, with his wife Ruth Bickel, founded the Hall of Fame. C.C. Webber led the movement for the revival of shipping on the Upper Mississippi River. Webber was the grandson of John Deere, the farm implement manufacturer, and he started working as an office boy and mail clerk for Deere & Company. Webber became the founder and builder of the Upper Mississippi Barge Line Company. He was also the founder and Chairman of the Board of the Upper Mississippi Waterway Association. He led a group of Upper Midwest business leaders and industrialists to form a river transportation company and river association that led to the completion of the Upper River 9-foot Channel and commercial navigation as we know it today.

William Shakespeare Hays was a steamboat master of the Ohio and Mississippi rivers as well as a poet and a songwriter. Two steamboats bear his name, his sheet music sold more than six million copies, and his 1866 song “Mollie Darling” was a best seller. Colonel Hays was a vital force among steamboat men and women as well. He pushed for river improvements long before the notion was generally accepted. Hays had definitive knowledge that matched, or perhaps exceeded, that of Louis C. Hunter. His writings, poetry, and songs are voluminous as a result. His influence on contemporary bluegrass, for instance, captured the interest of noted American banjo players Grandpa Jones and John Hartford. Hays gained fame for his stellar “River and Weather” column in the Louisville Courier-Journal which was gossipy, informative, and occasionally outrageous. But his writing remains a valuable resource of facts for steamboats built during his lifetime in Jeffersonville, New Albany, and Madison, Indiana.

The National Rivers Hall of Fame, part of the award winning National Mississippi River Museum & Aquarium, is located in Dubuque, Iowa. The River Museum and Hall of Fame run the highly acclaimed RiverWorks Discovery program, which has provided educational presentations about river commerce, culture and conservation to 400,000 people in the past four years. Its new exhibit, “River Journey: Commerce, Culture, and Conservation,” is supported by AEP River Operations and other industry leaders and will begin touring in 2013. The RiverWorks Discovery program received the White House Champion of Change award from the U. S. Department of Transportation this summer for its work educating about rivers.
Mississippi Watershed Initiative Launched

By Dan Mecklenborg

America’s Great Watershed Initiative (“AGWI”) has been officially launched as of late September 2012, when over 190 leaders of industry, regulators, nonprofit groups, and academia from throughout the Mississippi River watershed came together to participate in the first AGWI Summit. The goal of AGWI is to become a leading voice of the watershed and develop partnerships to collaborate on shaping the future of the watershed.

The key outcomes of the summit included:

- a review of the “report card” on river health to assess the conditions of the Mississippi River over time
- the establishment of AGWI as the link for basin-wide stakeholders in order to create a shared vision and an integrated approach to managing the watershed
- ways to create messages about the importance of the Mississippi River and its basin

This successful Summit was preceded in 2010 by the America’s Inner Coast Summit, which was a unique gathering of 117 participants from 76 organizations and 20 states, which focused on sustainability and collaboration.

The America’s Inner Coast Summit led to the creation of the AGWI, and the subsequent formation of the AGWI Summit.

The AGWI summit was a two-day program that focused both on educating the attendees and allowing them to participate as stakeholders.

The first day featured four keynote speakers, three of whom led panels discussing various aspects of integrated approaches. First, Ann Mills, the Deputy Under Secretary for Natural Resources and Environment for the U.S. Department of Agriculture (“USDA”), spoke about the various USDA initiatives. Her comments were followed by a panel discussion featuring Suzy Friedman, Director of Agricultural Sustainability for the Environmental Defense Fund; Michael Klingner, Vice Chairman for the Upper Mississippi, Illinois and Missouri Rivers Association; Gary Niemeyer, President of National Corn Growers Association; and Mike Toohey, the President and CEO of Waterways Council, Inc.

During lunch, Katherine G. Frase, Vice President of Industries Research for IBM spoke about IBM’s initiatives related to quantifying water use to lead to more sustainable actions of end users and the government agencies.

After lunch, Craig Philip, CEO of Ingram Barge Company, spoke about the navigation industry and its importance to the commerce of the United States, as well as the difficulties the industry faces in the current political and environmental climate. After his comments, he led a panel discussion featuring Karl Brooks, Administrator for EPA Region 7; Denise Reed, Chief Scientist for The Water Institute of the Gulf; and Paul Sloan, Senior Advisor for the Cumberland River Compact (and a former Tennessee Department of Environment and Conservation Deputy Commissioner).

The final panel discussion featured Glenn Prickett, Chief External Affairs Officer for the Nature Conservancy, who was able to discuss their various water initiatives. He led a panel discussion by Doug Esamann, President of Indiana Operations for Duke Energy; Rebecca Wodder, Senior Advisor to the Secretary for the Department of the Interior; and Amy Larson, President of the National Waterways Conference, Inc.

The panel discussions were followed by a roundtable discussion titled “Integrating the Pieces,” which focused on integrated watershed management and its potential to create a collaborative approach.

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The National Waterways Alliance hosted a meeting with Paul “Chip” Jaenichen, the Deputy Maritime Administrator, U.S. Department of Transportation. Captain Jaenichen discussed Marad’s current initiatives, the need to develop a national maritime strategy, as well as DOT’s Freight Policy Council, established in accordance with the recently enacted surface transportation reauthorization, commonly referred to as MAP-21.

Noting DOT’s objective to include all stakeholders in the process of developing a freight strategy, Captain Jaenichen encouraged the meeting attendees to participate in upcoming webinars and roundtables, and further advised that a Federal Register notice was just released providing guidance to the states regarding the development of freight plans (See: http://www.gpo.gov/fdsys/pkg/FR-2012-10-15/html/2012-25261.htm). He further noted DOT’s expectation that state freight plans would include a maritime component, including both seaports and the inland waterways.

Other issues touched upon include DOT’s MOU with the Army Corps of Engineers, Title XI shipbuilding activities, and Jones Act requirements. Further information on Marad’s activities is available at www.marad.dot.gov.

Including representatives from every segment of the water resources community, the National Waterways Alliance meets regularly in Washington to discuss legislation and policy initiatives of mutual concern. The Alliance is committed to the development of sound, balanced water resources policy. www.waterways.org

Dan Mecklenborg is Sr. Vice President, Human Resources, Chief Legal Officer and Secretary, Ingram Barge Company, and a member of AGWI’s Steering Committee.

Waterways Alliance Meets with Marad Official

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to management. The roundtable discussion featured several board members of the AGWI, as well as some other leaders with experience in integrated water basin management.

The first day concluded with the remarks on the Mayors’ Initiative for the Mississippi River, which were given by Francis G. Slay, Mayor of St. Louis.

The second day required the rolling up of sleeves of all attendees as, after the energizing remarks of Major General Peabody, all participants were divided into discussion groups regarding shared leadership, watershed health indicators, and communication and outreach. The table top discussions yielded significant dialogue about collaboration and, following breakout sessions on each topic, next steps were formulated.

The second day wrapped up with closing remarks, with the enthusiasm of the group for the road ahead evident.

The AGWI Summit was a success, as it began the dialogue that is necessary for the future success of the Mississippi River Watershed, with its six major sub-basins, and more than 250 tributaries. As AGWI begins its review of the watershed and formation of a structure to be a leading voice for the watershed, you should consider joining the dialogue. www.agwi.org

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Waterways Alliance Meets with Marad Official

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Nothing unites people like a common enemy.

Secretary of Energy Steven Chu proved that once again on March 16, 2012. On that fateful day, he issued a memorandum attempting to redirect the missions of the federal Power Marketing Administration (“PMAs”). He said it was time for Bonneville, Southeastern, Southwestern and Western, the four PMAs, to radically change the way they do business. Thus, with a stroke of a pen, Secretary Chu became the common enemy of a variety of PMA hydropower customers across a wide swath of the United States from Seattle to Tallahassee, from L.A. to the Dakotas.

Within days, the entire preference power community came together as one with a single message: “No thank you!”

Public power entities (cities, towns, PUD’s, districts, etc.,) and rural electric cooperatives don’t always get along. But here they were immediately cooperating on a national as well as regional and local level. And cooperate they did.

Led by their national organizations, the American Public Power Association (“APPA”) and the National Rural Electric Cooperative Association (“NRECA”), they organized committees, corralled their lobbyists and went to work. Letters from members of Congress started arriving on the Secretary’s desk, culminating in one bipartisan letter signed by 166 members – 40 Senators and 126 Congressmen. Other national, regional and state associations weighed in. Governors, utility commissioners and industry officials did likewise. What they all said can be summed up in one sentence: “If it ain’t broke, don’t fix it!”

What did the Secretary and the Department do? They said they were going to start with Western (the Western Area Power Administration), with its 17 thousand miles of transmission lines in 15 states, selling hydropower from 56 federal dams. Across all of this territory and more, they wanted Western to form/join an Energy Imbalance Market (“EIM”), sort of a convenience market for electricity, but you have to shop there. There are no sales, no coupons, no manager’s specials and everything costs more.

Oh, and they would hold meetings. They did. They called them workshops and listening sessions. They held six: Rapid City, Billings, Phoenix (Tempe), Folsom, Loveland, and Sioux Falls. Billings only rated a listening session. Ironically, we will pay for all of them in our power bills.

They called, and we came: state and local government officials, association staff, utility managers, engineers, farmers, city people, Congressional staff, you name it! And, of course, lawyers. And what did we tell them? Lots of things, but boiled down to the essentials, it was: (1) Do no harm—learn more before you leap; (2) Don’t make us pay other people’s electric bills; (3) More government doesn’t stop mistakes but it can make bigger ones; (4) Talk to the people who have to keep the lights on; (5) Treat all hydropower with respect—it’s our biggest and best renewable resource; and (6) Do whatever you’re going to do out in the open—don’t preach transparency and then go in a back room and cut your deals! Folks followed up with written comments, almost 100, which were due mid-August.

Did they listen? Sort of. Did they get the message? They sure did! Do they care? Probably not. Rumor has it that Department e-mails are saying that they are just doing these meetings to look good.

What’s next? Proposed recommendations in a Federal Register notice this fall with a short window for more comments. Then final recommendations to the Secretary which they won’t tell us we can’t even see!

Chewing on the Chu Memo: Has the train (with our wallets) left the station? By Robert S. Lynch

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Why should you care? Well, if you’re like us in Arizona and wear both a water and a power hat, you’ll get hit twice, once in the power bill and again in your provider’s water bill. Our engineers estimate this folly could raise the price of irrigation water $10/acre-foot! Municipal costs could be even higher. And this as we struggle to work our way out of the recession.

If you get water by gravity flow, congratulations, but chances are the people around you will be hit with higher power bills and those who supply you with goods and services will be passing those cost increases to you. In short, wherever Western is, costs will go up and people will be hurt.

The sad thing is that the utilities, public, private and co-op, can solve any set of problems that come their way. They don’t need more government nor do we. But a handful of big companies are making lots of money on their renewable energy projects. They want to make more and they want Western and the other PMAs to be forced to help them do just that. These folks want our federal hydropower to make their projects work better. Then they’ll make bigger profits.

What can you do? Talk to your state, regional and national associations. Make sure they know what’s going on. Make sure they’re ready to comment when the Federal Register notice hits. Make sure they talk to APPA and NRECA about next steps. And make sure you are ready to chime in also.

And if you happen to know a Congressman or Senator in your neighborhood, talk to them too. If they signed the 166-member letter or another, say “thank you.” Remind them that the battle is not over.

The Chu memo may have left the station with your wallet, but you can get it back before they take everything in it!

Article reprinted with permission from Irrigation Leader Magazine. Robert Lynch is an attorney in private practice in Arizona. He can be contacted at RSLynch@rslynchaty.com

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which prepared it. Individually, each member is highly respected and has undeniable professional qualifications. However, for the most part, the team is comprised of academics and others with a mostly theoretical viewpoint thus affording little diversity of perspective on the issues covered in the report. The people who actually help sponsor projects, who personally understand their compelling need, who benefit from them on a daily basis, who must answer to a demanding public and whose perspective is thus shaped by having an unalterable stake in their successful implementation, are nowhere to be found among the members of the team. We see that as a critical failing.

And although we have commended the Corps for its willingness to submit its directions to independent review, one wonders about the overall usefulness of continuing a review in this report and the series it is a part of. After all, presumably the findings would have to come back to the Corps for implementation. Aren’t the matters covered in this series actually within the purview of the President and subject to the oversight of the Congress? How does a science panel facilitate this supervision?

Instead of commissioning panels such as the one which prepared this report, we would like to see the Corps be more forceful in presenting its mounting problems within the Administration and, especially, in elevating its presence within the Congress to provide better information on options and implications for the future. This is a responsibility that is crucial to our future economic security and environmental health—things that are, not incidentally, also crucial to our overall national security.