



WATERWAYS
COUNCIL, INC.

***National Public Policy
Organization Advocating a
World-Class System of Ports
and Inland Waterways***



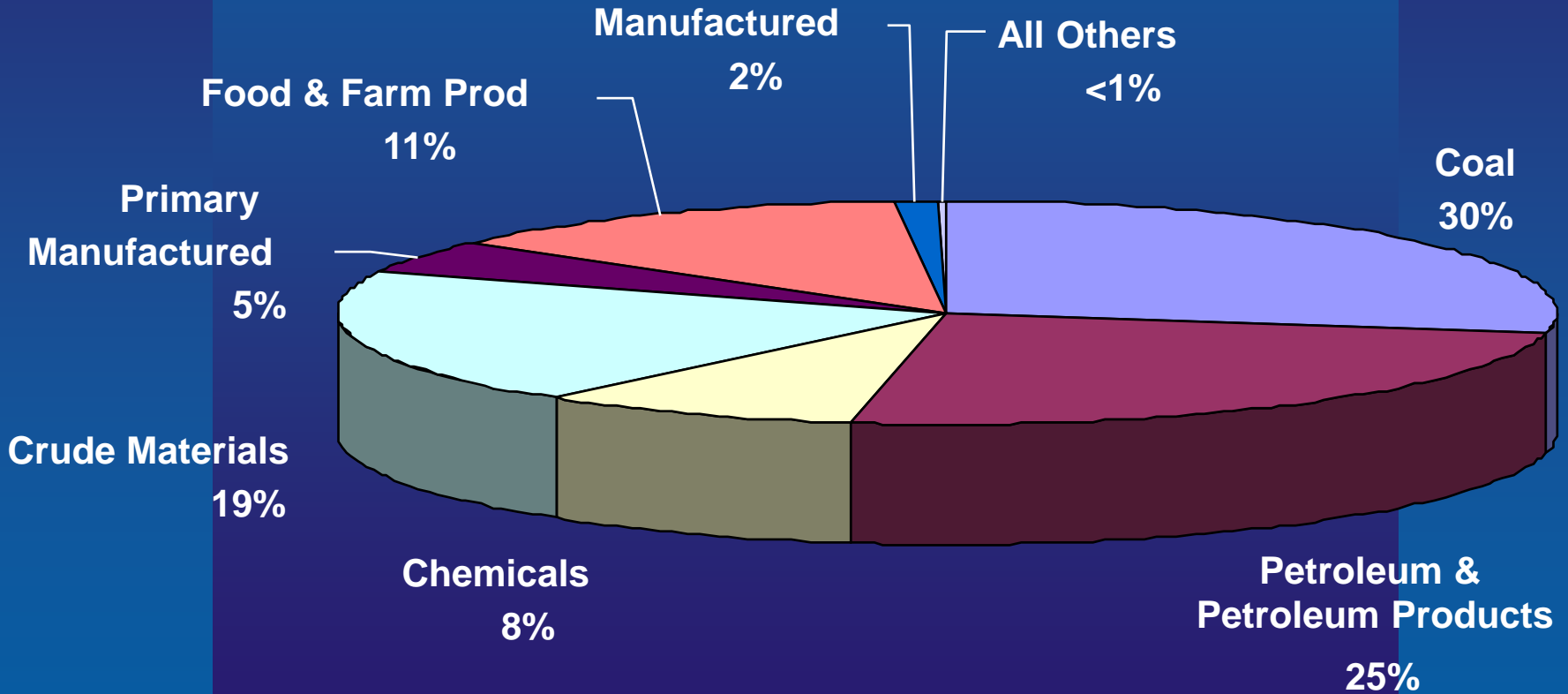
America's Waterways: A Great Success Story

- **Attracts Billions of Investment Dollars into Landside Plants and Equipment**
- **Creates/Supports Millions of Sustainable, Living-Wage Jobs**
- **Critical Energy Supply Line**
- **Keeps U.S. Industries Competitive in Global Market**
- **Marine Highway for Exports (Esp. Missouri Ag)**
- **Sets Baseline for Transportation Rates for Rail, Truck**
- **Environmentally Superior, Reduces Pollution, Conserves Fuel Usage**
- **14% of All Intercity Freight for only 3% of Total Freight Cost**



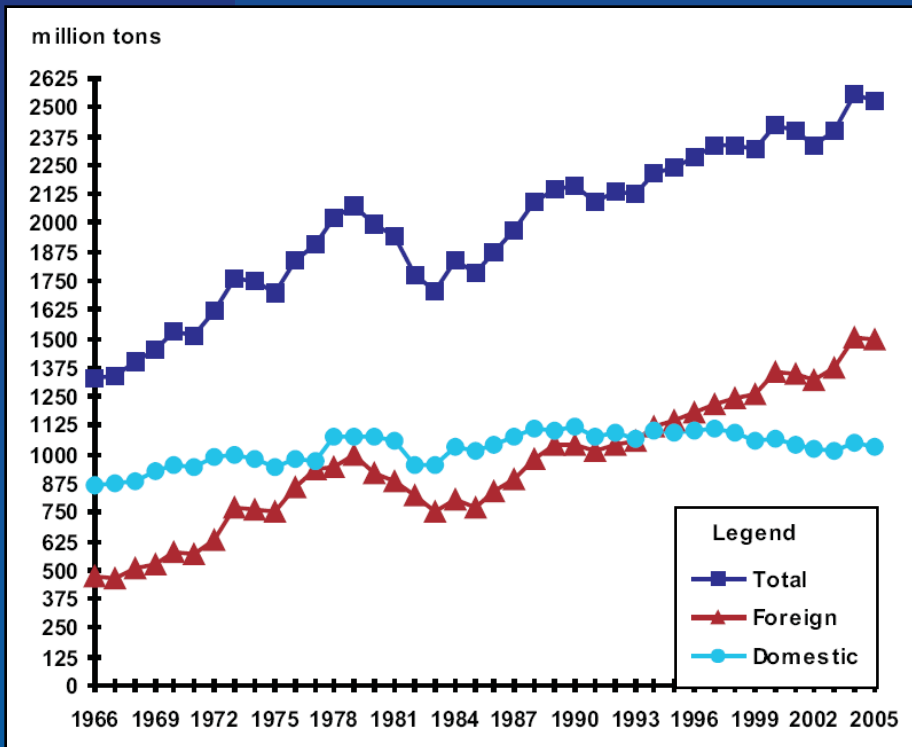
Inland Waterway Commodities (2006)

625 Million Tons, \$70+ Billion Value



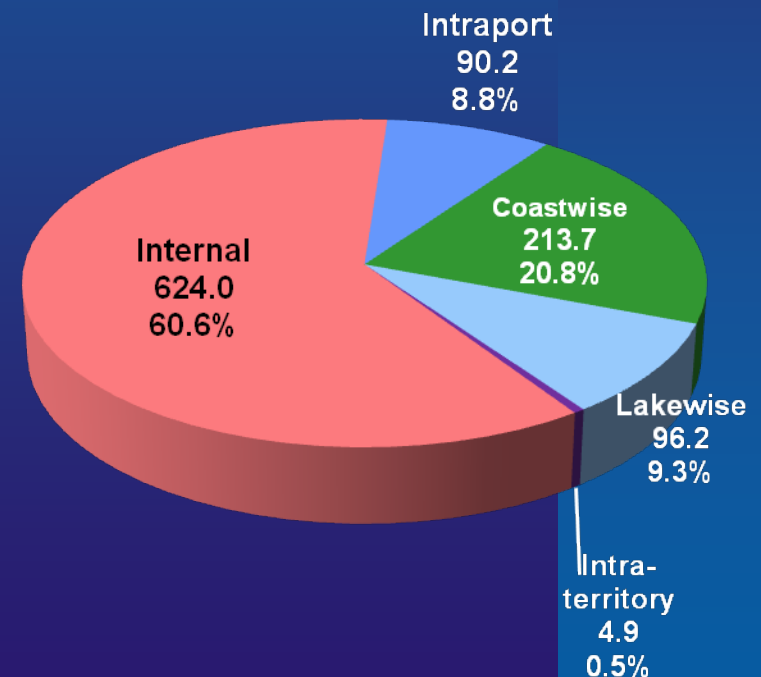
U.S. Waterborne Commerce

- 2.5 Billion Tons (2005)
- 59% Foreign Trade / 41% Domestic
- Of Domestic: 61% on Inland Waterways



Domestic Traffic

in millions of tons





2008: On the River

- **Barges Added to American Fleet**
- **Strong Markets for Both Liquid & Dry Barges**
- **Tight Supply of Grain Barges**
- **Northbound Emptys Reduced**
- **Supplier, Labor Costs Escalated Well Ahead of Inflation Indices**
- **Intermittent, Unscheduled Closures of Locks**
- **Navigation Slowed and/or Halted**
 - **March-May Flooding (Ohio & Lower Miss)**
 - **June Flooding (Upper Miss)**
 - **Aug-Sept Hurricanes Gustav, Ike**



Looking Ahead: 2009

- **Import/Export Market Reeling from World Financial/Economic Crisis**
- **Trickle Down Reaches River Operations**
- **Automotive/Housing Markets Slow to Rebound**
- **Impact of Economic Stimulus on Shipping of Construction, Industrial Materials?**
- **Steel Prices' Impacts to Barge Availability**
- **Ethanol Impact on River Exports**
- **Continuing Challenges: Restrictive Trade Policies, Onerous Econ/Enviro Regulations, Labor-Management Issues**



2008: Policy Issues

- **Inland Waterways Trust Fund Sustainability Reaches Critical Mass**
- **Administration Proposes New Barge Tax**
- **“Earmarks” Pariah on Appropriations Front**
- **Continued Disconnect: Annual Appropriations Process vs. Construction Progress**
- **Comparative Corps Projects Study, Evaluating Project Delivery**
- **Sen Kit Bond Announces Retirement, 2010**



Inland Waterway Challenges

- **Infrastructure Appropriation Levels**
 - **Unreliable Funding Streams/Schedules**
- **Strategic Expenditure of Those Appropriated Funds**
 - **Dialogue Among Feds, Industry on Priority Projects for O&M, Rehabs, and New Construction**
- **Improved Project Delivery for Project Completion**
- **Higher/New Taxes Proposal**
- **Sustainability of Inland Waterways Trust Fund**
 - **IWTF Cost-Shares 50-50 on Capital Improvements**
 - **Newly-Authorized Upper Miss/Illinois Locks Joins Existing Queue of Construction**



Other Noteworthy Challenges

- **Killing Off Missouri River Navigation**
 - **Econ/Enviro/Social Impacts to Nation**
 - **Mississippi Navigation Impacts**
 - **Capacity, Cost, Competition**
 - **Harbinger for Tributary River politics**
 - **Tonnage vs. Value of Cargo**
 - **ESA as Political Leverage**
- **Authorized Closure of Mississippi River Gulf Outlet**
 - **Access to Global Markets Relying on Single, 80-Year Old Lock**



Still More Challenges

- **Preparedness for Industry Trends, Innovations**
 - Growing World Population
 - Panama Canal - Market Opportunities, But is American Infrastructure Prepared?
 - Increased Traffic, Containerization Facilities
- **Homeland Security-Mandated Red Tape**
- **Increase in Recreation Boaters = 130m (65% Increase) by 2020**

Aging Infrastructure

- Frequent Closures for Repairs
- Reliability?
- Delays Impact Cost, Availability



*Concrete deterioration
at Chickamauga*

*Crumbling lock wall,
Lower Mon 3, opened
in 1907*



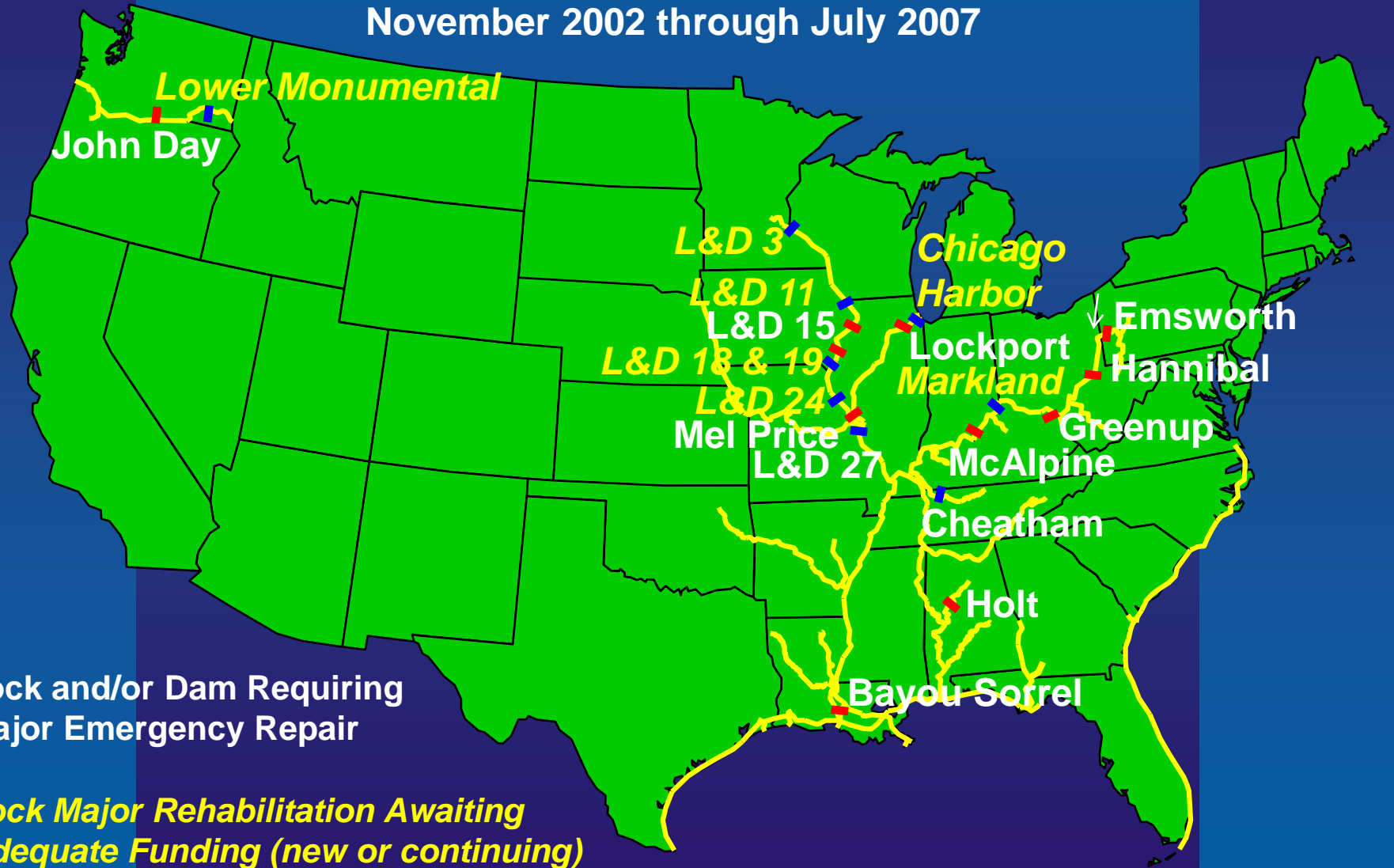
*Leaking miter gates,
Upper Miss Lock 19*



Concerns about Reliability:

Major Locks and Dams Requiring Emergency Repairs

November 2002 through July 2007





Funding Infrastructure **Construction**

- **Corps' Civil Works Budget FY09, CR, Omnibus, Stimulus**
 - **Disconnect: Annual Congressional Appropriations Process vs. Timely Construction Progress**
- **Project Completion Timeframes, Cost Overruns, Lock Performance Reliability**
- **Inland Waterways Trust Fund Cost-Share**
- **Ongoing Shift Outside Original Corps Purpose**
- **Emergency Closures and Non-Navigation Redirections Away from Operation, Maintenance, Lock Rehabilitations, Construction**

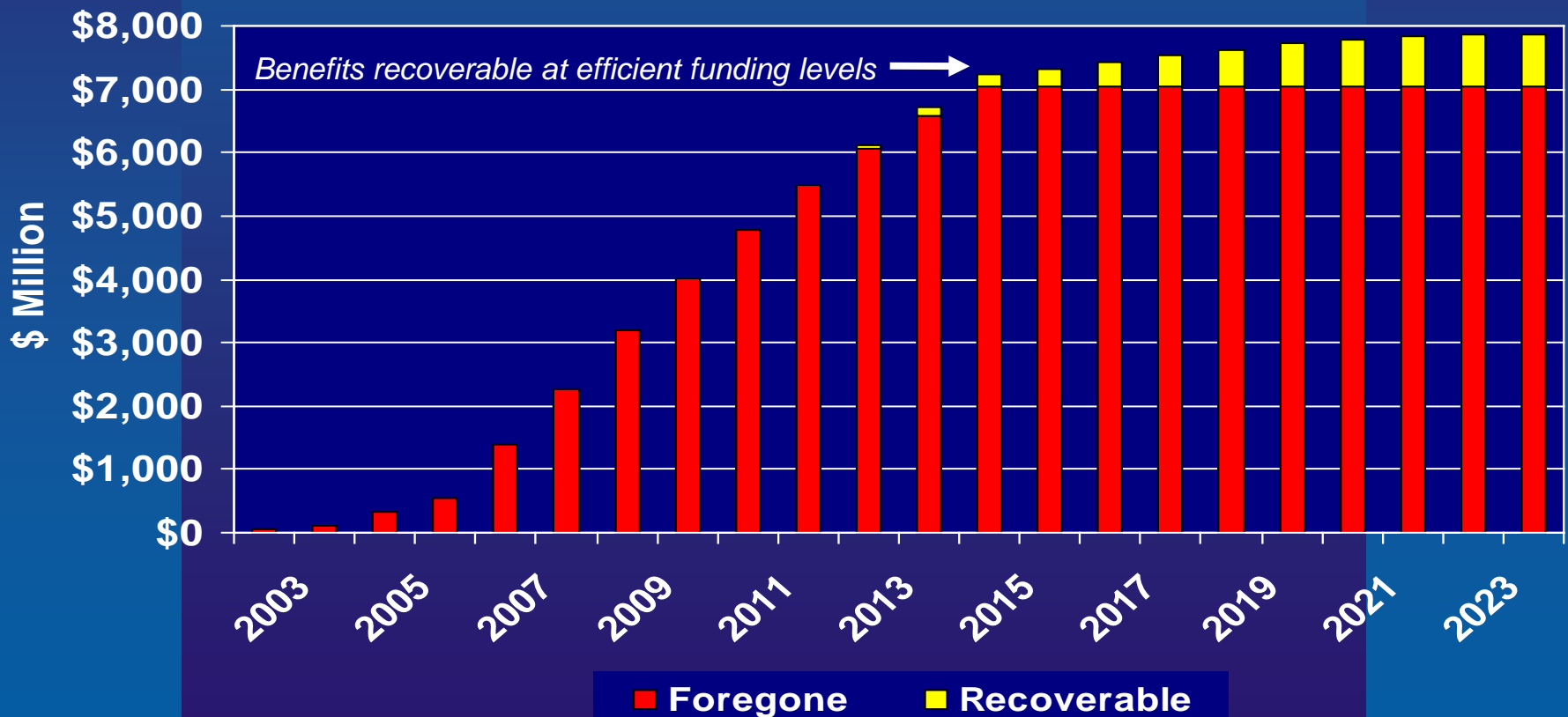


Strategic Expenditure of Annual Appropriations

- **Olmsted Lock & Dam: How Not to Plan & Fund Infrastructure**
 - Authorized 1988, Planning Begun 1980
 - Cost to Exceed 3x Original Estimates: Pricetag Now \$2.1 BILLION
- **Upper Mississippi River System: “Paralysis by Analysis”**
 - Navigation-Ecosystem Sustainability Program
 - 20+ Years Study
 - WRDA Authorization Timeline

Cumulative Economic Benefits Foregone from Construction Delays

Constrained funding has led to delays in project completions, foregoing anticipated project benefits. Cumulative benefits that can no longer be recovered now exceed \$7 billion...





Major Navigation Projects Underway Cost-Shared with Trust Fund





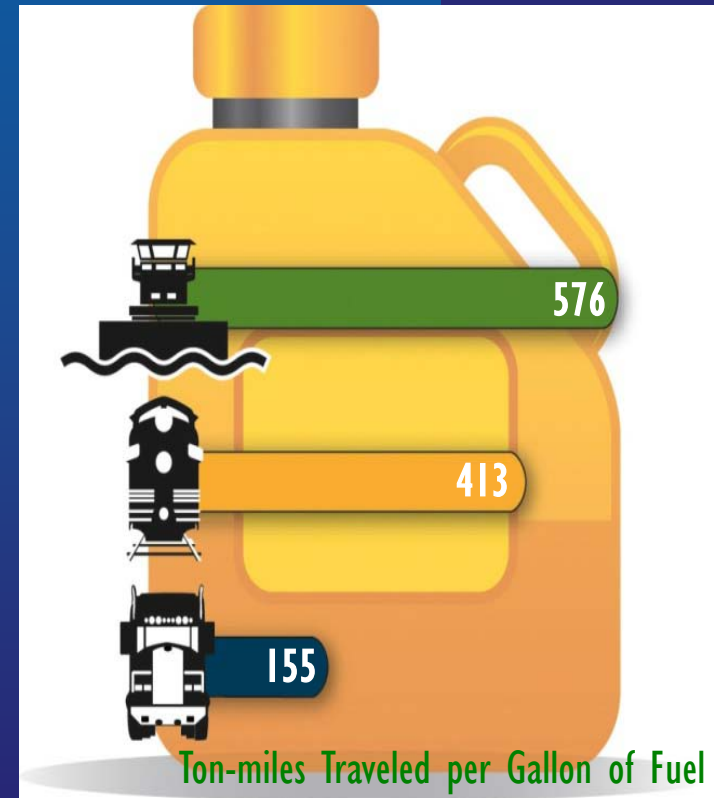
Sustainability of *Inland Waterway Trust Fund*

- **Project Completions Delayed**
- **Cost Overruns**
- **Reliable, Appropriate Commitments from Congress & Administration**
- **Revenue Stream Impacted by Shipping Activity**

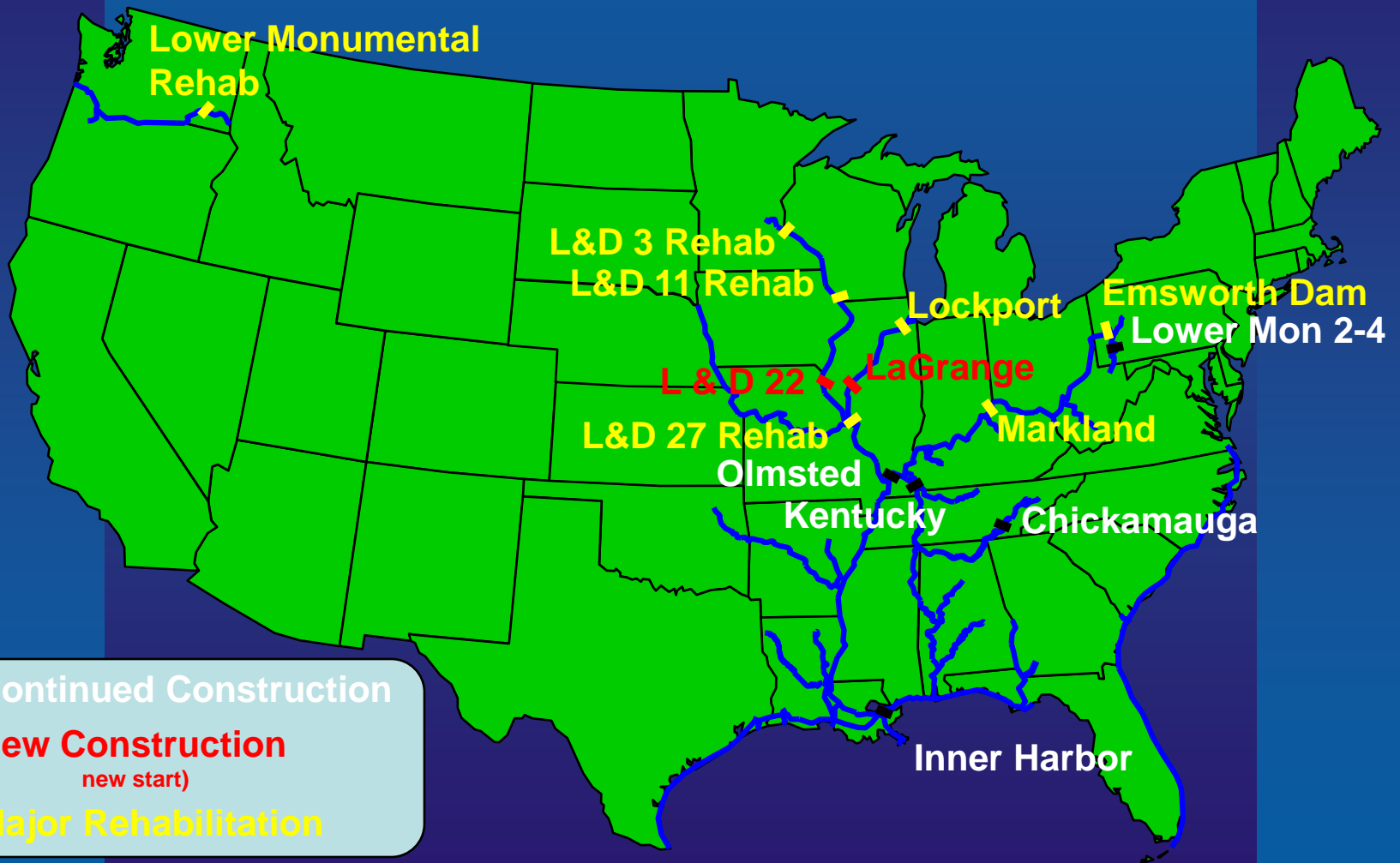


Positioned for Economic Stimulus

- \$4.6 Billion to River Infrastructure
 - \$70B Backlog!
- “Shovel-Ready” Projects
- Create Hundreds of Millions Man-Hours in Construction Jobs
- Ignores Real Problem; Need Reliable, Adequate, Ongoing Funding
- Transportation “Policy” for U.S.?
- River Transportation Should be Major Factor in Larger Issues of Climate Change, Energy Independence , National Security, Jobs that Can’t Outsourced.....



Major Navigation Projects Proposed for Stimulus Bill





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waterwayscouncil.org



WATERWAYS: Working for America

Paul C. Rohde
Waterways Council, Inc.

Inland Waterways Industry: Environmental Stewards

F&S

CONSERVATION // BULLET POINTS



Heroes of Conservation

A Big Muddy lobbyist, a stream teacher, and a conservationist on base • BY BRIAN MCCLINTOCK

MAKING A CAREER OUT OF RIVER PROTECTION

Paul Rohde, St. Louis, Mo.

After serving as an education lobbyist and a weekend volunteer for Ducks Unlimited in Chicago, Paul Rohde turned his avocation into his vocation when he became the president of the Midwest Area River Coalition (MARC) in 2005. "When your work is something you're passionate about, your day doesn't end at five," says Rohde, an avid duck hunter and angler. In 2007, MARC merged with Waterways Council Inc., and Rohde's new job was creating a coalition of conservation and commercial groups that would lobby Congress to authorize spending to restore 105,000 acres of habitat along the Upper Mississippi River. Rohde is currently working with conservation groups, state governments, and members of Congress to get the funds appropriated for the restoration.



VOLUNTEERING FOR PENNSYLVANIA WILDLIFE

Kathy Davis, Charleroi, Pa.

When Kathy Davis retired as a disabled veteran, she went right to work preserving the fish and wildlife she grew up hunting in southwestern Pennsylvania. "A friend invited me to a Citizens' Volunteer Monitoring Program with the Pennsylvania Department of Environmental Protection," she says. "Two weeks later I was a water-quality instructor." She also does volunteer conservation work for the Pennsylvania Game Commission and Fish and Boat Commission. In addition to conducting water-quality surveys, Davis teaches groups how to identify macroinvertebrate organisms and to monitor the health of streams. She is researching epizootic hemorrhagic disease and works to introduce youth and senior citizens to the outdoors.



CONSERVING STATION TO STATION

Edward Sobieranski, Fredricksburg, Va.

As an active-duty Marine for 22 years, Edward Sobieranski brought his passion for the outdoors to wherever he was stationed. In Hawaii, for example, he organized beach and lagoon cleanups. In 2002, Sobieranski, now a range safety manager with the Marine Corps, began working with state and federal government environmental agencies to conserve land on the Marine Corps base in Quantico, Va., so veterans wounded in combat could hunt whitetails and turkeys. In addition to his work with the Quantico Injured Military Sportsmen Association, Sobieranski volunteers with the National Wild Turkey Federation, gathering data to contribute to the improvement of turkey habitat.



Nominate Your Hero Now

We are always looking for the next Hero of Conservation. Everyone featured in the magazine will receive a \$1,000 grant from Toyota, and one recipient will win \$5,000 and a new Toyota Tundra.



THESE CRUSADERS LEAVE THE CAPE AT HOME, SO IT DOESN'T GET DIRTY.

Toyota proudly supports the 2008 Heroes of Conservation Gala — in honor of the extraordinary outdoorsmen and women who have shown an unwavering commitment to restoring the habitats and wildlife in their local communities. From researching insect life in the Chattahoochee River to monitor water quality to testifying in front of the U.S. Senate to save acres of Oregon wilderness, their hard work and leadership help ensure nature's finest will long survive for all to enjoy. You may just know of such a person. If so, show them you appreciate their efforts and nominate them at fieldandstream.com/heroes.



www.fieldandstream.com/heroes

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Ducks Unlimited ~ American Land Conservancy ~ Waterways Council





WATERWAYS: Working for America

Waterways transportation keeps commerce on the move with fewer adverse societal impacts than truck or rail.

Highlights of “A Modal Comparison of Freight Transportation Effects on the General Public”

A Study in Freight Transportation Solutions

Highlights of “A Modal Comparison of Freight Transportation Effects on the General Public”



Center for Ports & Waterways, Texas Transportation Institute
at Texas A&M University

- Compares surface transportation modes: safety, energy efficiency and environmental impacts
- Conducted over a one-year period
- Peer-reviewed by independent university-based experts

A Study in Freight Transportation Solutions

A Modal Comparison of Freight Transportation Effects on the General Public

- Co-sponsored by the National Waterways Foundation and the U.S. Department of Transportation Maritime Administration (MARAD).
- An executive summary and the full study can be downloaded from nationalwaterwaysfoundation.org



An “Inland Marine Highway” for Freight Transportation



Our “inland marine highways” move commerce to and from 38 states throughout the nation’s heartland and Pacific Northwest, serve industrial and agricultural centers, and facilitate imports and exports at gateway ports on the Gulf Coast.

- 12,000 miles of commercially navigable channels
- 240 lock sites

An “Inland Marine Highway” for Freight Transportation



Moving the nation's commodities

Barges are ideal for hauling bulk commodities and oversized or overweight equipment:

- Coal
- Petroleum
- Iron & Steel
- Project cargoes
- Grain
- Chemicals
- Aggregates
- Intermodal containers

An “Inland Marine Highway” for Freight Transportation

Moving the nation's commodities

Waterways transport:

- More than 60% of the nation's grain exports
- Approximately 22% of domestic petroleum products
- 20% of the coal used in electricity generation nationally



An “Inland Marine Highway” for Freight Transportation

Strengthening the economy

625 million tons annually: Waterborne cargo transiting the inland waterways.

- This equals 14% of all intercity freight, valued at nearly **\$70 billion, at only 3% of the nation's total freight transportation cost.**



Easing Rail and Highway Congestion in Our Communities



Waterways provide superior cargo capacity, moving freight more safely than truck or rail.

In fact, they carry the equivalent of **58 million truck trips per year**, on our major waterways, with capacity to spare.

If Waterborne Cargo Were Diverted to Highway or Rail:

- **Interstate Truck Traffic Would Double**
- **Rail Tonnage Would Increase 25%**

Waterways Closure on the Mississippi River & Illinois Waterway



Case Study: If cargo going through St. Louis by barge were shifted from the river system to St. Louis' overcrowded Interstates:

- Highway costs over 10 years would **increase \$345 million - over \$721 million**
- Truck traffic on St. Louis Interstates would **increase by 200%**
- Traffic delays would increase by almost **500%**
- Injuries and fatalities on Interstate segments would **increase 36% - 45%**
- Maintenance costs would increase **80% - 93%**

Easing Rail and Highway Congestion in Our Communities: Dry Cargo

Units to Carry
1,750 Short Tons of Dry Cargo



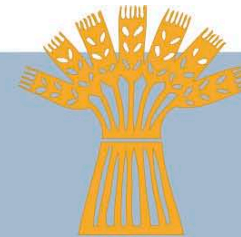
1 barge



16 rail cars



70 trucks



One loaded covered hopper barge carries **58,333 bushels** of wheat, enough to make almost 2.5 million loaves of bread.

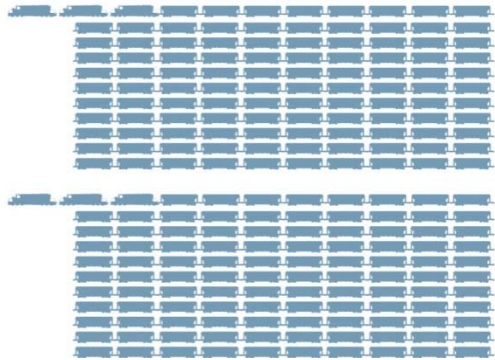


One 15-Barge Tow Equals 216 Rail Cars or 1,050 Trucks

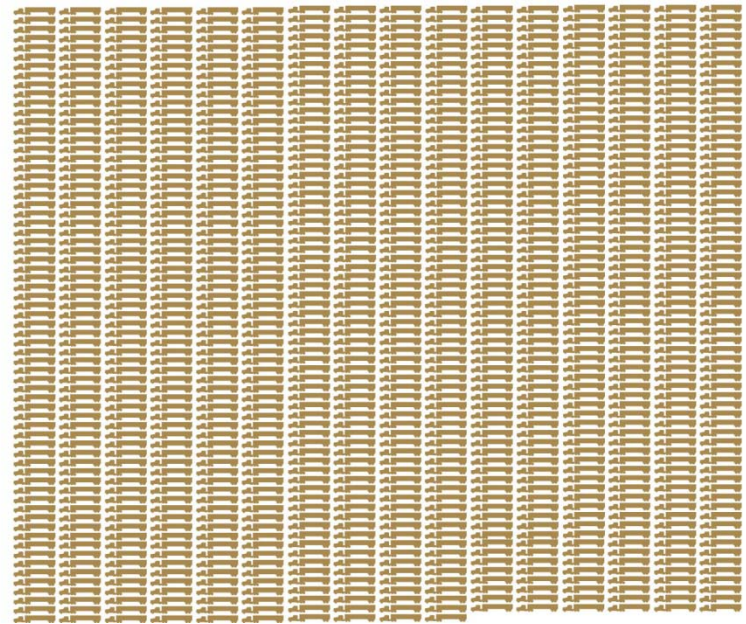
One 15-Barge Tow



216 Rail Cars + 6 Locomotives



1,050 Large Semi Tractor-Trailers



Easing Rail and Highway Congestion in Our Communities: Liquid Cargo



A loaded tank barge carries **27,500 barrels** of gasoline, enough to keep about 2,500 automobiles running for an entire year.

Units to Carry
27,500 Barrels of Liquid Cargo

1 barge



46 rail cars



144 trucks

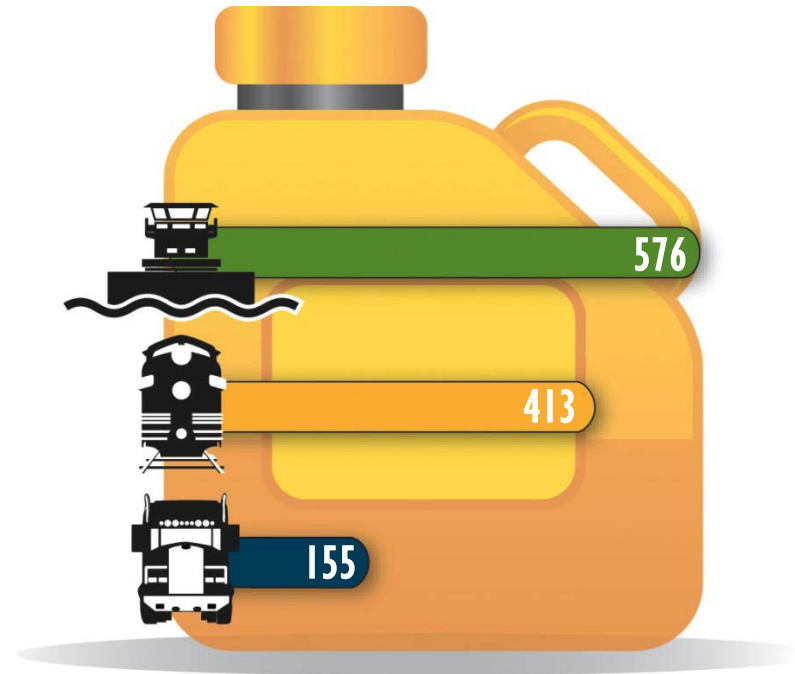


Moving Freight Efficiently Throughout America

Transporting freight by water is also the most energy-efficient choice.

Barges can move one ton of cargo **576 miles** per gallon of fuel.

A rail car loaded with the same cargo would go 413 miles, and a truck only 155 miles.



Ton-miles Traveled per Gallon of Fuel

Safeguarding Our Health and the Environment

Inland waterways transportation generates fewer emissions than rail or truck per ton-mile.

Barge transportation generates the lowest emissions as measured in grams per ton-miles in four standards tracked by the EPA:

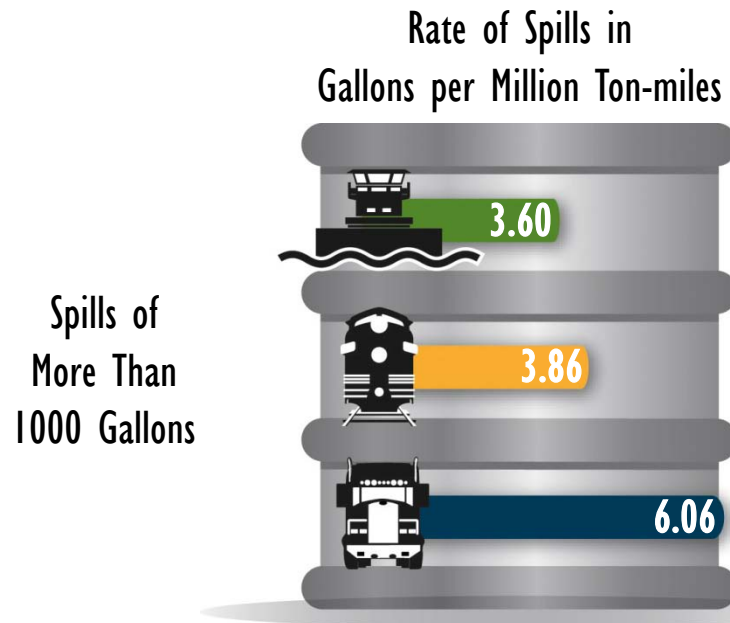
- Particulate matter (PM)
- Carbon monoxide (CO)
- Hydrocarbons (HC)
- Nitrogen oxides (NOx)



Safeguarding Our Health and the Environment

Inland waterways transport moves hazardous materials safely.

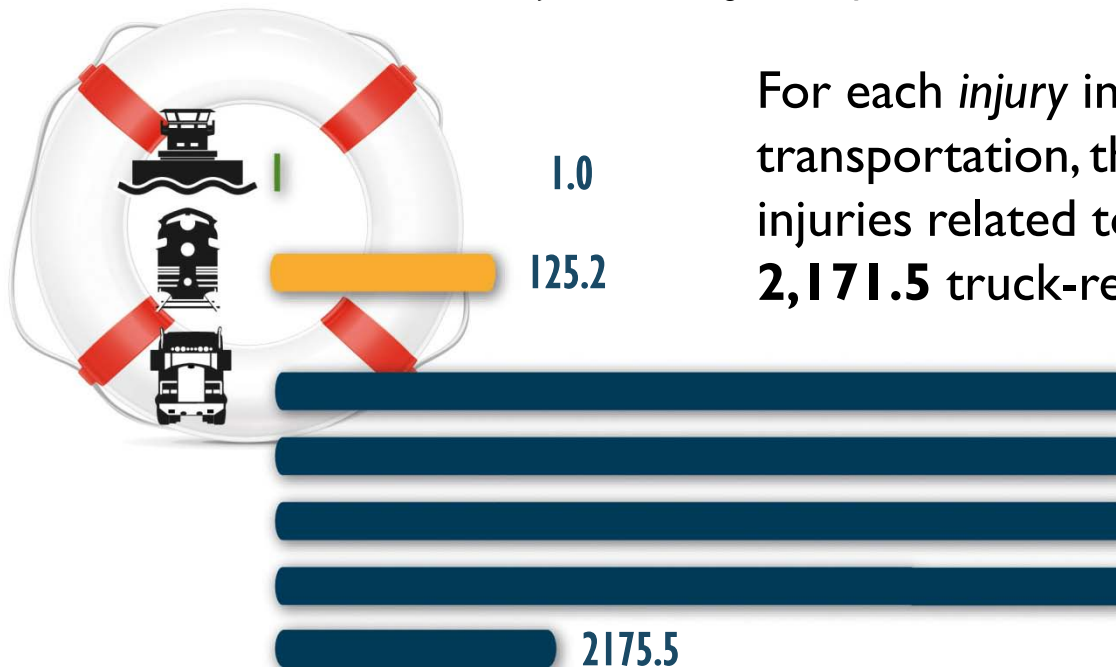
Overall, spill rates remain low. Trucks lose 6.06 gallons per one million ton-miles, rail cars 3.86 gallons and barges only 3.6 gallons.



Safeguarding Our Health and the Environment

Inland waterways transport has the lowest injury record compared to rail or truck.

Ratio of *Injuries* in Freight Transportation

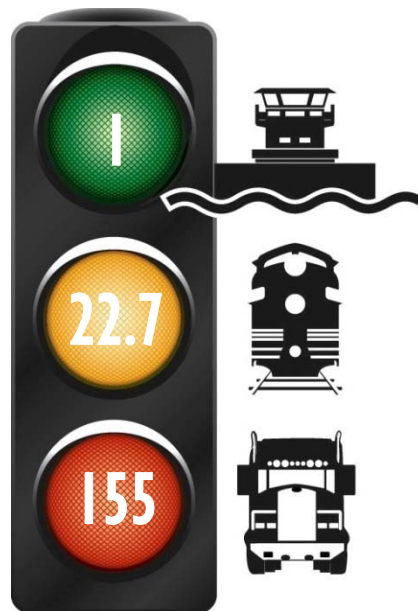


For each *injury* involving barge transportation, there are 125.2 injuries related to rail and **2,171.5** truck-related injuries.

Safeguarding Our Health and the Environment

Inland waterways transport has a low *fatality* record compared to rail or truck.

Ratio of *Fatalities* in Freight Transportation



For each barge transportation *fatality*, there are 22.7 fatalities related to rail and **155** truck-related fatalities.

Preparing for Future Transportation Demands



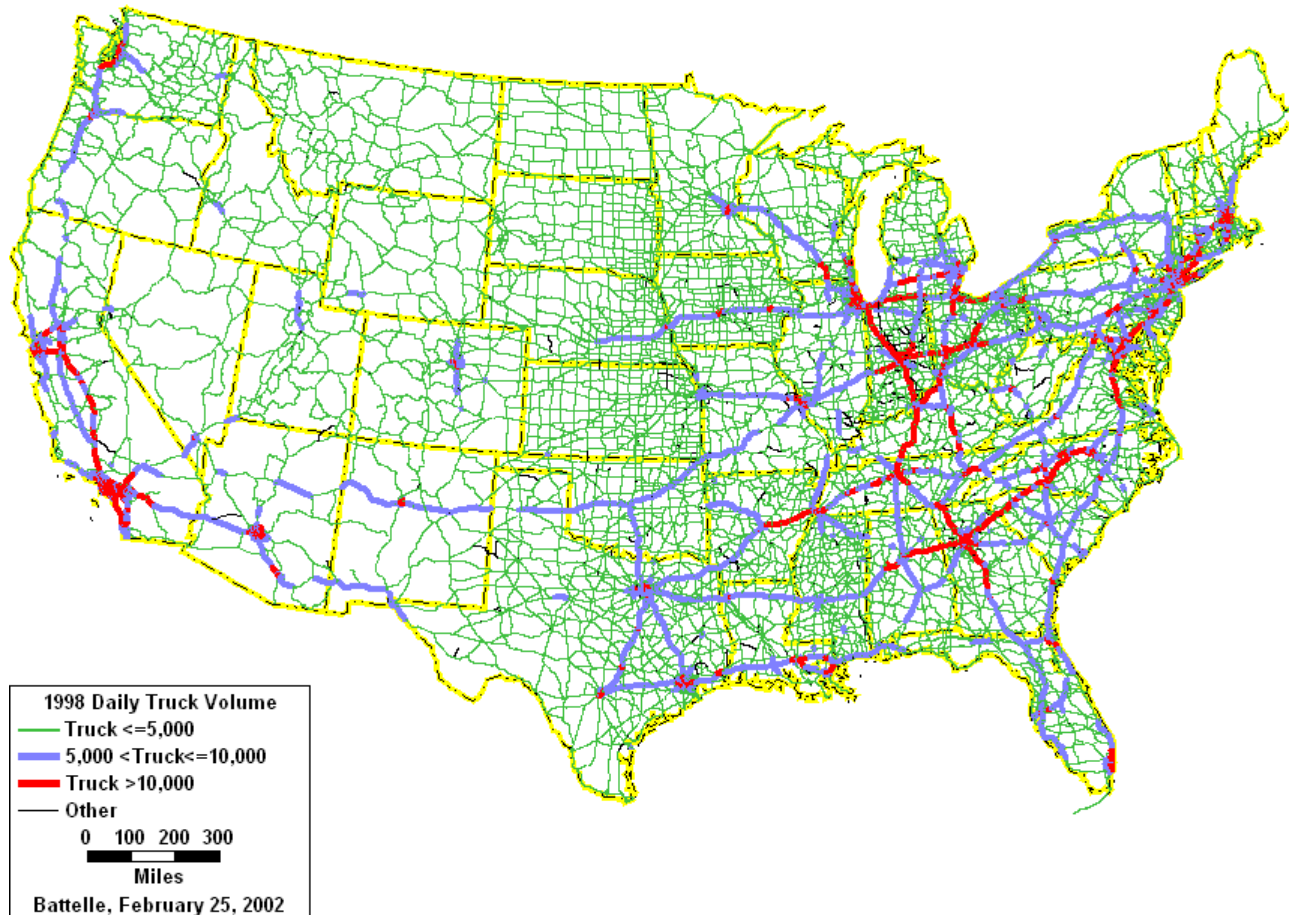
© Robert J. Hurt

Our inland waterways have capacity to:

- Transport *today's* bulk commodities and intermodal cargo,
- Accommodate *tomorrow's* growth in those cargoes, and
- Accept cargo diverted from overcrowded highways and railways.



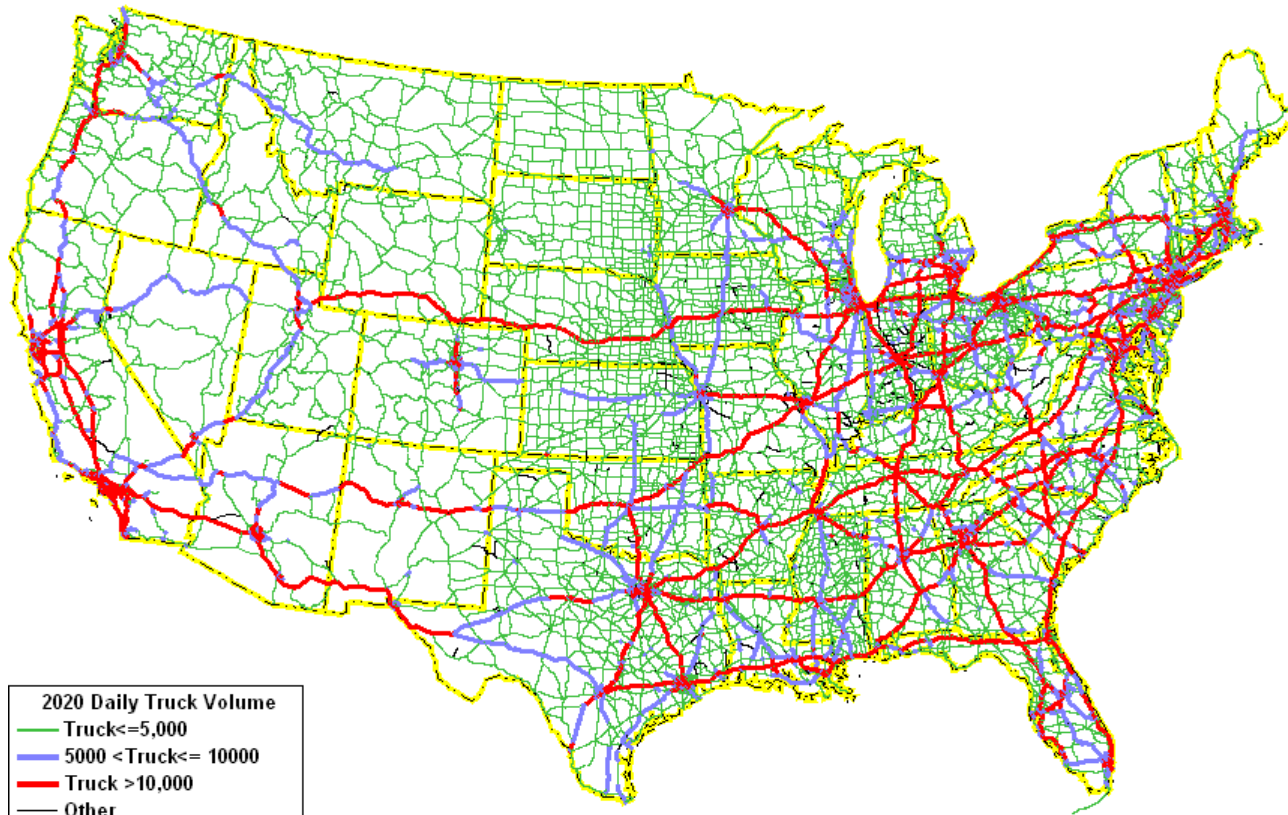
Anticipating Future Demands



1998 Truck
Volumes on
U.S. Highways

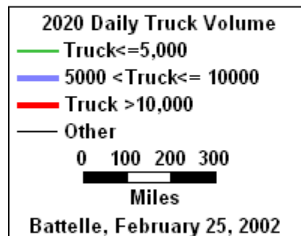
(source: U.S. DOT)

Anticipating Future Demands

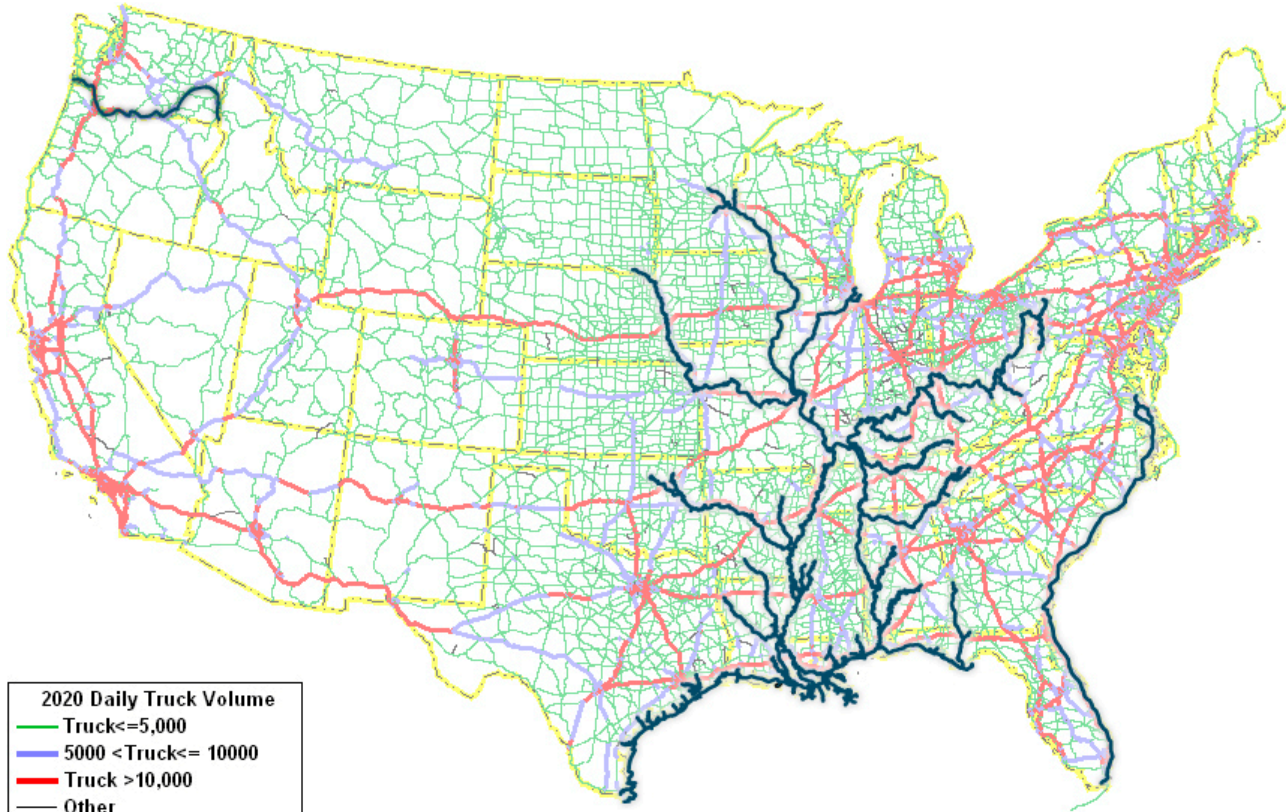


2020 Truck
Volumes on
U.S. Highways

(U.S. DOT forecasts)



Anticipating Future Demands



2020 Daily Truck Volume
— Truck ≤ 5,000
— 5,000 < Truck ≤ 10,000
— Truck > 10,000
— Other
0 100 200 300
Miles
Battelle, February 25, 2002

Waterways:
well-positioned
to respond
future needs

A Freight Transportation Solution for the Future

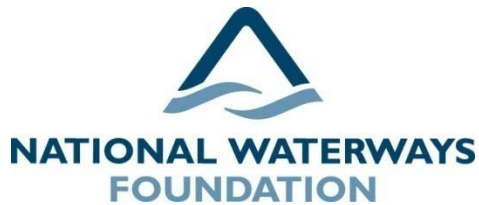


© Robert J. Hurt

With the least impact of any surface mode on air quality, the environment, and public safety, as well as capacity to spare, our inland waterways are a transportation solution for the Nation's future.



Factual and Intellectual Support for Waterways



The mission of the National Waterways Foundation is to develop the intellectual and factual arguments for an efficient, well-funded and secure inland waterways system.

Learn more about the Foundation:

- Visit www.nationalwaterwaysfoundation.org
- Call 703.373.2261
- E-mail NWF@vesselalliance.com



WATERWAYS: Working for America

Waterways transportation keeps commerce on the move with fewer adverse societal impacts than truck or rail.

Highlights of “A Modal Comparison of Freight Transportation Effects on the General Public”