



The American Waterways Operators



WATERWAYS
COUNCIL, INC.

Mississippi River
Low Water Level
Economic Impact
December 2012 – January 2013

28 November 2012

Mississippi River Low Water December 2012 – January 2013 Commodity Movements Forecast

Introduction

- The 2012 drought in the Midwest has caused significant concern that the Army Corps of Engineers (ACOE) will not be able to maintain the nine feet minimum depth navigation channel (henceforth referred to as “9’ navigation channel”) in the Mississippi River between St. Louis and Cairo in December 2012 – January 2013.
- The ACOE requested input from the American Waterways Operators (AWO) and the Waterways Council Inc. (WCI) on the anticipated movements of commercial cargoes on the Mississippi River during that period (assuming a 9’ navigation channel is maintained)
- AWO and WCI provided that input in a report dated 11/11/2012.
- This report identifies the economic impact if the Mississippi River is closed to navigation do to low water between St. Louis and Cairo (Thebes or Grand Tower rock pinnacles)

From the 11/11/2012 Study

Stopping Mississippi River Commerce

Impact of a Dec. 2012 – Jan. 2013 Closure

- 5 million barrels of domestically produced crude oil will be replaced by imported crude oil – costing \$545 million additional imports (\$109/bbl Brent)
- ~300 million bushels of agricultural products will be delayed reaching market – representing \$2.3 billion product value
- 3.8 million tons of coal will be shut in - Valued at \$192 million

Commodity - Up & Downbound Combined	Tonnage	Value, \$/ton	\$s, millions
Coal, Lignite, & Coal Coke	3,840	\$50	\$192
Petroleum & Petroleum Products except Crude Oil	1,333	\$1,000	\$1,333
Crude Oil	712	\$750	\$534
Chemicals and Related Products	1,705	\$1,100	\$1,875
Crude Materials, Inedible except Fuel	1,582	\$150	\$237
Primary Manufactured Goods	608	\$1,000	\$608
Food and Farm Products	7,793	\$300	\$2,338
All Manufactured Equipment, Machinery & Products	50	\$1,200	\$60
Total	17,623		\$7,177

Cargo valued at over \$7 billion would stop moving if the Mississippi River is closed due to low water between St. Louis and Cairo

Stopping Mississippi River Commerce

Impact of a Dec. 2012 – Jan. 2013 Closure

- Over 410 tows would be impacted by the closure.
 - Over 10,600 barges would be stopped.
- Resulting in over 4,100 jobs on towboats being impacted.
- Direct wages and benefits of towboat personnel of \$36.8 million impacted.
- Additionally 15,660 jobs directly tied to the cargo movement would be impacted.
 - Based on the US Dept. of Commerce's Bureau of Economic Analysis (BEA) Regional Input-Output Modeling System (RIMS II) multipliers
- Wages and benefits related to the additional job impacts total nearly \$100 million.

Closing the Mississippi River due to low water in December 2012 and January 2013 would impact an estimated 20,000 jobs and over \$130 million in wages and benefits associated with those jobs

Stopping Mississippi River Commerce

State by State Estimated Impact of a Dec. 2012 – Jan. 2013 Closure

- State impacts allocated based on cargo flows – actual impacts would vary by residency of individuals impacted
- Earnings shown below include wages and benefits – in \$ thousands

State Impacts	Jobs-Industry	Jobs-Direct	Jobs-Total	Earnings-Industry	Earnings-Direct	Earnings-Total
Arkansas	26	69	95	\$233	\$489	\$721
Illinois	1,465	5,187	6,652	\$13,124	\$37,218	\$50,342
Iowa	147	315	462	\$1,319	\$2,385	\$3,704
Kentucky	98	371	469	\$877	\$2,214	\$3,091
Louisiana	1,287	5,864	7,151	\$11,531	\$30,586	\$42,117
Minnesota	150	624	773	\$1,340	\$3,291	\$4,631
Mississippi	29	106	135	\$255	\$642	\$897
Missouri	648	2,293	2,941	\$5,808	\$14,044	\$19,851
Tennessee	206	701	907	\$1,848	\$4,632	\$6,480
Wisconsin	58	130	188	\$516	\$1,143	\$1,659
Total	4,113	15,660	19,773	\$36,851	\$96,642	\$133,493

Nearly 20,000 jobs and over \$130 million in wages and benefits would be impacted.

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