

# Capitol Currents

March 4, 2019

## Secretary of Agriculture Sonny Perdue Delivers WCI Keynote



*Secretary Perdue's message to WCI was clear: "I'm for you!"*

*U.S. Secretary of Agriculture Sonny Perdue delivered the Keynote Address at WCI's 2019 Waterways Seminar on February 13. Below are his remarks:*

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**FOR THE INLAND WATERWAYS TRANSPORTATION SYSTEM**, moving product from one place to the other has a lot to do with the value of the commodity, but point to point, whether is internationally or domestically, it really rises and falls on the logistics. And the trade of coal, grains or other products means you have to know as much about logistics as you do about the product itself and that is where you all come in. The fact that you all know the efficiency of what you advocate for regarding comparison between water transport, rail and truck. Everybody is talking about Carbon Footprint these days – I bet you all love that, don't you? About how favorable your carbon footprint is flowing down those great waterways of this country. We all know that it's important.

I am glad you are here in town this week, and are talking to Members of Congress. I am also glad to be here today with former Senator Blanche Lincoln. She had been a strong advocate in agriculture, as well as the logistics part of that. And she can also tell you how important it is to continually remind Members of Congress about the important things from an infrastructure perspective. We say the word "infrastructure" and it rolls off our tongues very easily. But everyone needs to understand and to be informed about what we mean when we talk about infrastructure, and how do you prioritize

that? We admit we are way behind the curve on a global infrastructure perspective in the United States, over all the things whether it be the grid, or highways or bridges. So it's very important for you to be here to advocate for your special slice of the infrastructure pie that is critical to the economy. And I know that you are also informing and educating Members of Congress and the Administration over the importance of waterways and certainly the negative aspects of what happens if those waterways were not there or were not operational or functional during some period of time. We at USDA have calculated the economic aspect from a GDP perspective and are always fearful that something would happen and we hope it won't. But just like me, those waterways are getting some age on them. And their knees don't bend as good as they used to...we need a new hip or a new knee on those waterways. You have had plans on the board for a long time; "money, money, money." That's what it is. I wish you could help me convince OMB (Office of Management and Budget) how important this is because we have to begin there and from a consolidated perspective. Last year, President Trump proposed some infrastructure ideas, and I think he will focus more in that regard this year. I know some of the provisions last year were not as favorable to your liking, and I don't disagree with you. We have got to address this country's infrastructure issues and do it because it matters. You all know South America, Brazil and Argentina and have seen the productive capacity down there. You've seen the land mass

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that is still undeveloped from an agriculture perspective and what is the big advantage that we have over them? It's waterways!

You look at that big creek dividing our country from East and West, the Mississippi River. You think about what a natural gift that is. God blessed us with the transport of commodities from the most productive areas of our country down to the best shipping ports from an international perspective. It's critical that we continue. You know the statistics on this better than I do – regarding the percentage of American agricultural products that are exported, the percentage that barges handle, and what's required to keep them operational. It's really important that you, we and USDA continue to try to educate our parts of the Administration over these needs and the needs of agriculture of which we have already established logistics is a big part, being the low-cost provider across the world, the waterways play a huge part in that vis-à-vis. What's the difference? If Brazil's farmers can farm as efficiently, making more low cost at the field level, where do we have the advantage? It's certainly in the competitive cost of getting those products to international markets. Right now, we have and have had a huge advantage, but guess what? They are not standing still. They are making progress and investing in their infrastructure and I hope we never see the day where they become in parity with the United States over logistics because we would have a huge challenge at that point from an American agriculture perspective. Your concerns, issues and needs are greatly important to the economy of America, not just agriculture, both positively and certainly, God forbid, negatively if we did not have the use and access to the [waterways].

I am told we have some USDA experts in transportation here with the agricultural marketing service today, so we are partners in this, whether it's grain or facilitating our ports or infrastructure, we want to be helpful in complementing what you all do in the private sector. It's like roads and bridges, we come together as the government because a citizen can't just build a road from one place to the

other. It takes a government agreement there to do those. God's given us the waterways and how do we operate them in a way that's functional from beginning to end? It's the reason we come together and have laws, statutes, and rules and regulations in order to optimize the use of those for the economy in general. So we have got a lot of challenges there and we need to continue working on them. The competition is real, it's serious, it's booming, it's not standing still, but Waterways Council is a huge partner in all this effort, and we want to be a partner as well. If you see something that the USDA can do regarding your efforts over sustainability and improvement of our waterways and our infrastructure on the transportation system across the country, we would love to know about that.

It takes all of us. The competition for funding is always fierce from a government perspective, there are lots of demands and cries for "money, money, money," but we don't need to denigrate one another. I spoke to National Grain and Feed Association's transportation group a few months ago and we talked about how well it functions from the long-term efficiency standpoint of transporting bulk products through where waterways exist, nothing is more efficient than barges. But your barge can't go to that local elevator in many places, so we need rail and truck as well. I would counsel you to work with the other components in rail and road transportation business, not from a competitive stand-point, but also as a complementary one as well. If you don't have those trucks to deliver to the barge ports, you're not going to have much barge use; they just can't go out and get all of it.

Let's look at it from a commonality of the best logistics system in the world – enabling our producers to deliver the lowest cost product and the best quality products world-wide. That's important. USDA has a renewed partnership with the Army Corps of Engineers primarily through the leadership of R.D. James (Assistant Secretary of the Army for Civil Works). If you haven't met him I hope you will. R.D. James knows a little about the Mississippi River, having served for over 25 years or longer

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on the Mississippi River Commission, and he also happens to be a legitimate authentic farmer. I am happy with that. We are working on many things together, from wetlands and



*Rick Calhoun, former WCI Chairman (right), moderates audience questions for Secretary Perdue after his remarks.*

other common jurisdictions. He gets it. He understands the value of waterways transportation, the efficiency of it. I would encourage you to visit with R.D. James, the civilian Corps leader, and let him know of your interests and needs.

He might even be able to educate some of you, he is just that good. We look forward to our continued and enhanced relationship between USDA and the Corps of Engineers. There is a new collaborative spirit there and we look forward to continuing to work with them moving forward.

So, I want to leave you with a message: I'm for you. We want to work together. If there is

something USDA can do specifically, I hope you will help us help you in that regard.

Sometimes things get done by beginning in a way that people can understand and appreciate.

It's like learning in school, by repetition. Sometimes you need to call on Members of Congress on a repetitive basis. And local connections are best. Don't wait to come to DC for a fly-in or a meeting like this. The best thing to do is get to Members at home. Members of Congress really appreciate that. Many of you have constituencies in your own sectors and industries and Member of Congress like to get to know you – particularly the House every two years and the Senate every six years. You can be a real asset and help them to be informed and educated.

That is what WCI is all about – education, information and advocacy – about something that means good for the American economy, the ag economy and other parts of the economy as well.

I want to encourage you. I am glad you are here. Let us know how we can help. Thank you very much. ♦

## Team Minnesota!



*Left to Right: Kirsten Wallace (Upper Mississippi River Basin Association); Jeff Webb (Cargill, Inc.); Brian Werner (Legislative Assistant in the office of Senator Amy Klobuchar (D-MN)); Lee Nelson (Upper River Services); and Patrick O'Neill (AON) were among WCI's members, who came to Washington, DC to meet with House and Senate Members and Staff during its 2019 Capitol Hill Fly-in on February 12.*

## Corps of Engineers on Track for Illinois Waterway Closures in 2020

*Editor's Note: The May 4, 2018 issue of Capitol Currents featured an article, "What to Expect in the Illinois Waterway Closures Ahead," by Tom Heinold, Chief, Operations Division, U.S. Army Corps of Engineers, Rock Island District (read it [here](#)). The article below apprises readers of the latest on the Corps' plan for the temporary closure of locks on the Illinois Waterway (IWW) in 2020 to perform critical maintenance.*

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Contracts have been awarded to install bulkhead slots at Marseilles and Starved Rock locks during the summer of 2019. This work will require width restrictions for several weeks, followed by a full lock closure for approximately two weeks to install the sill beam across the bottom of the lock chambers. Since the locks have only one chamber adjacent to each dam, a full lock closure means river traffic will have no way of navigating around the dam until the lock chamber reopens. Although a two-week closure stops traffic, the Corps is providing this information in advance to provide optimal time to plan ahead so that there will be minimal impact on navigation and the local and regional economy.

Longer closures, up to 120 days, are scheduled to begin July 1, 2020, as long as the river levels cooperate. The driving factor in the extended closures is the LaGrange Lock Major Rehabilitation project, which received funding in 2018. Rock Island District awarded a \$117 million contract to AECOM for the LaGrange project last fall. Currently, the contractor is on track to mobilize to the site and do preliminary work this summer. No impacts to navigation are expected during their preliminary work. Items such as miter gate machinery that take longer to fabricate, are already in the works and are scheduled for delivery in time for the



extended 2020 closures.

New miter gate fabrication contracts for Marseilles and Starved Rock locks are also on track and are scheduled for installation during the extended closure in summer 2020. The lock chambers at Marseilles and Starved Rock will be dewatered during the closure and will undergo significant sill and anchorage modification so the new miter gates will fit properly. While the IWW is closed, contractors will also install bulkhead slots at Dresden Island and Brandon Road locks, and Peoria Lock will be dewatered for routine inspections and minor repairs.

At this time, the Rock Island District anticipates the navigation industry could need two or more years to fully recover from impacts caused by the 2020 closures. For this reason, the District will not schedule additional maintenance at Dresden Island or Brandon Road locks for a couple of years. A shorter closure, which may extend 90 days or more, is scheduled for summer 2023 to give contractors time to perform anchorage and sill modifications so new miter gates can be installed at the Dresden Island and Brandon Road locks.

The recent partial government shutdown has not impacted the IWW Consolidated Closures scheduled because the Corps of Engineers' Civil Works program received funding in the FY 2019 Energy and Water appropriations bill passed September 28, 2018. The Rock Island District continues to strive to complete these critical repair projects in the safest and most efficient manner with the least amount of impact to the navigation industry so they may continue delivering value to our national economy.

Click [here](#) to see the Corps schedule in this PowerPoint presentation. ♦

## WCI Takes The Hill, Honors Senator Duckworth, Holds Seminar at 2019 Washington Meetings

WCI held its 2019 Washington, DC meetings, February 12-14 at the Mayflower Hotel, with more than 125 in attendance. The two-day event included a Capitol Hill fly-in on February 12 with WCI members dividing into state teams to meet with 92 offices in the House and Senate to discuss WCI's 2019 priorities. Also on February 12, WCI's 18th Annual Leadership Service Award event to honor Senator Tammy Duckworth (D-IL) for her leadership and commitment to ports and inland waterways was held. On February 13, WCI's Board of Directors Meeting, the Waterways Seminar Keynote Address by U.S. Secretary of Agriculture Sonny Perdue; remarks by Sandor J. Toth, Publisher, *River Transport News*; Eddie Belk, Jr., Chief of Civil Works Programs Integration for the Corps of Engineers; Rep. James Comer (R-KY), Member of the House Agriculture Committee; and Rep. Sam Graves (R-MO), Ranking Member of the House Transportation and Infrastructure Committee, took place. A Congressional Professional Staff Panel composed of Brian Clifford - Deputy Staff Director, Senate Committee on Environment and Public Works; Ryan Seiger - Staff Director - House Transportation and Infrastructure Committee, Subcommittee on Water Resources and Environment; and Jen Armstrong - Professional Staff - Senate Appropriations Committee, Subcommittee on Energy and Water Development, was also held and shed light on a potential infrastructure initiative ahead.

The three-day event concluded on February 14 with meetings of the WCI Membership Development and Retention Committee, and the National Waterways Foundation, which celebrated its 41<sup>st</sup> year of commissioning research for the benefit of the inland waterways transportation system. ♦

**Photo 1:** Daria Schwartz, Ingram Barge Company (left), catches up with Mary Ann Bucci, Port of Pittsburgh Commission, at the WCI Leadership Service Award reception in Washington, DC. **Photo 2:** (Left to right): Justin Dickens, Crouse Corporation; Jim Adams, Jones Walker; Matt Ricketts, Crouse Corporation; Rob Carlisle, Carlisle & Bray, and Caryl Pfeiffer, LG&E and KU Services Company, gather together with WCI. **Photo 3:** Mike Somales, Murray American Transportation (left), chats with Patrick Kelly, Heartland Fabrication.



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## WCI HOLDS 2019 WASHINGTON MEETINGS



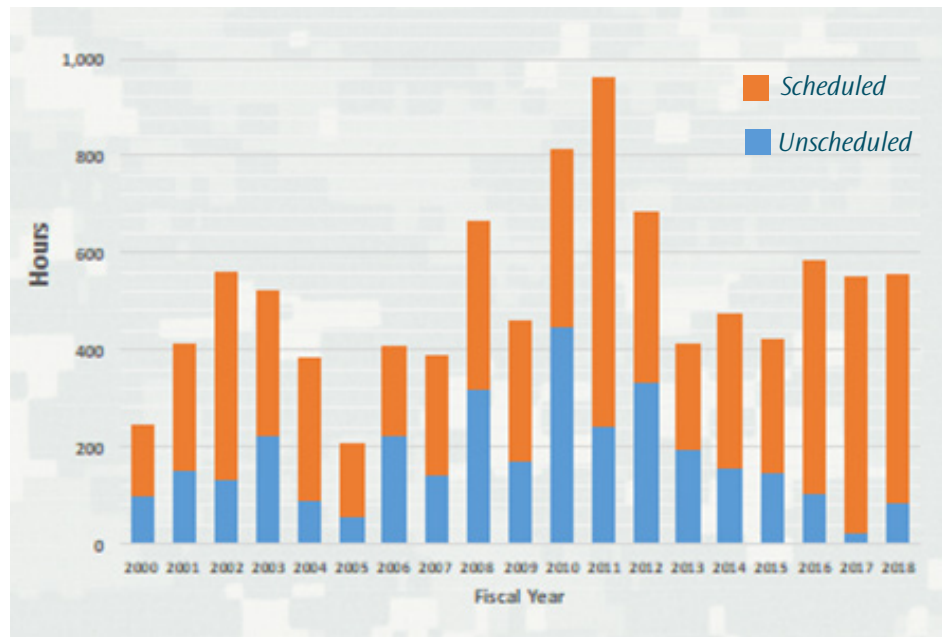
## WCI Holds 2019 Washington Meetings - Photo Captions

**Photo 1:** (Left to right): Jim Stark, Gulf Intracoastal Waterways Association; Beth Cade and Ada Benavides (U.S. Army Corps of Engineers); and Mike Emerson, U.S. Coast Guard. **Photo 2:** Congressman Bruce Westerman (R-AR) (left), Ranking Member of the House Transportation & Infrastructure Subcommittee on Water Resources and Environment, and WCI President/CEO Mike Toohey. **Photo 3:** Senator Duckworth looks at photos of the Illinois Army National Guard aviation battalion equipment movement on the inland waterways during her time as Captain, as Wade Beasley, Carpenters Local 174, prepares to introduce her. **Photo 4:** Senator Duckworth

happily accepts WCI's Leadership Service Award from Mr. Beasley. **Photo 5:** Senator Duckworth with (left to right) Wade Beasley (Carpenters Local 174); Delbert Wilkins (Illinois Marine Towing); Jim Tarmann (Illinois Corn Marketing Board); Ken Hartman (National Corn Growers Association); Troy Jones (St. Louis-Kansas City Carpenters Regional Council); Rodney Weinzierl (Illinois Corn Marketing Board), and Brent Nissen (ADM/ARTCO). **Photo 6:** WCI President/CEO Mike Toohey (left) and WCI Chairman Peter Stepchaich (Campbell Transportation Company) with WCI's 18th Annual Leadership Service Awardee, Senator Tammy Duckworth.

### National Lock Portfolio Service Trends Main Chamber Mechanical Unavailable Hours (Events Longer than One Day)

**Heading in the right direction.** As a result of record-level Operations & Maintenance funding, unscheduled lock outages have been significantly decreasing, with the lowest level since 2002 occurring in 2017. (Source: WCI Washington Meetings presentation by Edward E. Belk, Jr., PE, Chief, Civil Works Programs Integration Division, U.S. Army Corps of Engineers.)



## WCI HEARS HILL VIEWS

WCI's Waterways Seminar welcomed a professional staff panel of (left to right) Ryan Seiger – Staff Director – House Transportation and Infrastructure Committee, Subcommittee on Water Resources and Environment; Jen Armstrong – Professional Staff – Senate Appropriations Committee, Subcommittee on Energy and Water Development, and Brian Clifford - Deputy Staff Director – Senate Committee on Environment and Public Works to discuss authorizations and appropriations.



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## WCI Member Spotlight: Harrison County, Ohio

One of WCI's newest members is Harrison County, Ohio, located in Eastern Ohio lately known as "The New Petrochemical Hub."

This area of the country -- Eastern Ohio, Pennsylvania and West Virginia -- is experiencing growth that has not been seen for generations. In fact if the region were a country, it would rank third in terms of natural gas production, surpassing Saudi Arabia, Iran and Qatar, and trailing behind only the entire U.S. and Russia.



Harrison County, Ohio's Executive Director of Community & Economic Development Nicholas Homrighausen says of his region, "The time is now to take risks. It's

time to take some of the funds we receive from the oil and gas industry and re invest them right back into our communities. There are needs to update infrastructure that has not been attended to for 40 to 50 years, an action that will set our communities up for the future and allow for the diversification of our local economies."

Harrison County has seen billions of dollars in investment in the last 6 years. It is home to three MarkWest processing plants, and the UEO (Utica East Ohio) Momentum Mid-Stream processing plant. Additionally, the Rover, Utopia and Cornerstone pipelines all run through the county.

"In essence, Harrison County has become grand central station for shipping gas in, processing

it and shipping it out to the market. Soon, the Shell Falcon pipeline will begin construction in our county. With the Shell pipeline Harrison County will be the feed stock to the \$6 Billion investment ethane cracker plant in Monaca PA. Cracker plants are what makes the building blocks for plastics. Another cracker plant just one county south of Harrison a \$10 Billion dollar investment is under consideration as well by PTT global. In addition, we have been working on a 1050MW gas-fired power plant known as Harrison Power LLC. that will be located here in our county," he said.

"Ohio is one of the states that helped build America, we sent a man to the moon, made steel, gave the world Thomas Edison, and eight presidents just to name a few things. It is our time to build things again," Homrighausen continued.

Efficient, robust, and additional infrastructure is key to bolstering Harrison County's growth, and this includes the inland waterways that surround the area. The Ohio River and other tributaries offer transportation options for moving raw materials in and finished products out of the region. All of the plants and other infrastructure that has come with this new growth have come up the Ohio River and off loaded to be trucked to our county. "WCI was a natural choice for Harrison County because we see the bigger picture on transportation that includes all modes operating as efficiently as possible," he said. "In today's business environment, the nation, regions, states, cities and counties must be aware of the challenges affecting modal infrastructure and be prepared to support policies that will strengthen and modernize them for decades to come," he added. "We must continue to advocate for additional investments in our waterways as well as roadways, rail, and infrastructure as a whole. The best way to accomplish this is by having a seat at the "table" to have those hard line discussions and make others aware of the growth we are experiencing, and the needs we have to help continue this growth, WCI is the leader/advocate to those table discussions." ♦



*MarkWest Energy -- now a subsidiary of Marathon Petroleum -- Hopedale Fractionation Facility.*



## Happy 41<sup>st</sup>, NWF!



*Merritt Lane (left), National Waterways Foundation (NWF) Trustee, raises a toast with NWF Chairman Dan Mecklenborg (right) to commemorate the Foundation's 41st year of commissioning peer-reviewed inland waterways transportation system research.*

## WCI Educates at Commodity Classic



*Former WCI Executive Committee member Dale Roth mans the WCI booth at Commodity Classic 2019, America's largest farmer-led, farmer-focused agricultural and educational experience, helping to educate attendees about the importance of the inland waterways.*



Tracy Zea

## Zea Promoted to Vice President-Government Relations

In December it was announced that Waterways Council, Inc. promoted Tracy R. Zea to Vice President-Government Relations, from Director-Government Relations, a position he had held since August 2015. Mr. Zea advocates for WCI’s goals for authorizations and appropriations which support a modern, efficient, and reliable inland waterways transportation system. Mr. Zea also works to enhance WCI’s stakeholder relationship with the Corps of Engineers. He is also responsible for tracking implementation of water resources legislation and ensuring that WCI’s views are

reflected in the outcomes.

Before joining WCI, Mr. Zea served on the House Committee on Transportation and Infrastructure (T&I) for five years. During his time on the Committee, he assisted in legislation related to the Federal Aviation Administration reauthorization, Map-21 highway reauthorization, and played an integral role in the enactment of the Water Resources Reform and Development Act (WRRDA) of 2014. Prior to joining the T&I Committee, he worked for Senator John Thune (R-SD). ♦



*Ohio River Floods: A low-lying park sits flooded by the swollen Mississippi River on Friday, Feb. 22, 2019 in Memphis, Tennessee. Located on Memphis’ Mud Island, Greenbelt Park (pictured) floods when the Mississippi River reaches high levels. Photo courtesy of AP/Adrian Sainz.*

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## Industry Calendar

**March 4-6:** National Waterways Conference 2019 Legislative Summit (Washington DC)  
[www.waterways.org](http://www.waterways.org)

**March 17-19:** National Grain & Feed Association 123rd Annual Convention (Amelia Island, FL)  
<https://imis.ngfa.org/convention>

**April 3-5:** Greater New Orleans Barge Fleeting Association 37th River and Marine Industry Seminar (New Orleans) <http://gnobfa.com>

**April 22-25:** Inland Rivers, Ports & Terminals Annual Conference (Baton Rouge)  
[www.irpt.net](http://www.irpt.net)

**May 20-22:** Waterways Journal Sixth Annual Inland Marine Expo 2019 (St. Louis) [www.inlandmarineexpo.com](http://www.inlandmarineexpo.com)

**May 20-22:** Warrior Tombigbee Waterway Association 2019 Annual Meeting (Point Clear, AL) [www.warriortombigbee.com](http://www.warriortombigbee.com) ♦

