



MEMORANDUM FOR THE RECORD:

DATE: 24 August 2012

SUBJECT: Response to Comments from Big River Coalition

**BACKGROUND:** The June 20, 2012 Institute for Water Resources (IWR) report *U.S. Port and Inland Waterways Modernization: Preparing for Post-Panamax Vessels* broadly examines the need for U.S. port and inland waterways modernization to accommodate the future use of post-Panamax size vessels serving U.S. markets. The report primarily considers the ability of U.S. ports to accommodate the larger container vessels expected to call in the future. The report looks at the impacts of larger bulk vessels serving the agricultural export market from the Gulf coast to Asia, but only in relation to impacts on the inland waterways.

**ISSUE:** In written comments (attached) and in a meeting with IWR, the Big River Coalition (BRC) expressed concern that the Port & Inland Waterways Modernization report failed to highlight deepening opportunities for bulk commodity trade. As a representative of navigation interests on the Lower Mississippi River (LMR), the BRC fears that this omission will prejudice the selection process for the Administration's "We Can't Wait" initiative, which, in its first announcement, selected five container ports to be expedited.

**ANALYSIS:** The Federal channel on the LMR has an authorized depth of 55 feet. However, the channel was constructed and is maintained to 45 feet of depth. Maintenance costs for channels up to 45 feet, including the LMR, are paid entirely by the Federal government. However, the increase in maintenance costs incurred for channels depths greater than 45 feet must be shared with a local sponsor. Such a cost-share requirement means that deepening the LMR beyond the current constructed depth would require a willing sponsor to agree to share in any increased maintenance costs. In addition, USACE maintenance operations typically over-dredge a channel and then allow the channel to silt in back to the constructed depth. Hence, the available depth of the LMR channel is often greater than 45 feet.

The Port & Inland Waterways Modernization report highlighted ongoing studies at several container ports but did not identify deepening opportunities to accommodate post-Panamax bulk vessels. While there is no active Corps effort to deepen the LMR channel to its authorized depth of 55 feet, the BRC is actively working with the Corps to initiate a deepening effort. The BRC asserts that if the Federal channel were deepened to 50 feet from Venice, LA to the Sea Bouy (about 30 miles) it would allow access to 175 miles of river from the Gulf of Mexico (beyond Head of Passes) without any additional dredging.

**CONCLUSION:** IWR agrees that Port & Inland Waterways Modernization report could have considered deepening Federal channels on the Gulf coast to primarily serve post-Panamax bulk



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vessels. Such waterway modernization efforts are well within the range of opportunities presented by the increasing deployment of post-Panamax sized vessels of all types. While IWR makes no judgment as to the economic and environmental merits of deepening the LMR to 50 feet, the Port of South Louisiana's classification as a "national" bulk port using the study's "Index of Regional Trade," coupled with the expected deployment of larger bulk vessels in the world fleet suggest it is reasonable to consider the merits of such action in more detail.

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