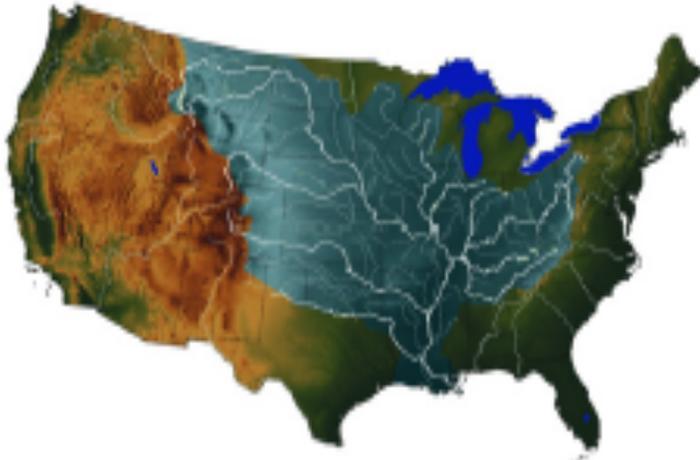


BIG RIVER COALITION



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RE: MISSISSIPPI RIVER SHIP CHANNEL, BATON ROUGE TO THE GULF OF MEXICO GENERAL REEVALUATION STUDY FACT SHEET

Overview: A Federal deep-draft navigation channel is authorized from the Gulf of Mexico to Baton Rouge, Louisiana. The channel handles nearly 500 million tons of cargo per year and accounts for over 20% of U.S. waterborne commerce. The Corps of Engineers performs maintenance dredging on the Mississippi River Ship Channel on an annual basis. The Panama Canal expansion will strengthen the demand for a deeper channel. A General Reevaluation Report (GRR) will be conducted to validate the economic justification of a deeper channel. The five deep-draft ports that comprise the Lower Mississippi River Deep-Draft Ports Complex (Baton Rouge, South Louisiana, New Orleans, St. Bernard, Plaquemines) presently handle post-Panamax vessels. However, because the Mississippi River's authorized channel is maintained to a depth of 45 feet, post-Panamax vessels calling the Mississippi River now must arrive/depart with less than full cargo carrying capacity to ensure their drafts do not exceed 45 feet. The reevaluation study will evaluate the transportation cost-savings and highest net benefits derived from the Mississippi River's draft being increased to 50 feet to match the controlling draft on the third set of locks on the Panama Canal (50 feet).

Authorization: In 1981, a feasibility report entitled "Deep-Draft Access to the Ports of New Orleans and Baton Rouge, Louisiana" recommended deepening the Mississippi River channel to 55 feet from the Gulf to Baton Rouge. Congress authorized construction in the 1985 Supplemental Appropriations Act. Additional authority includes the Water Resources Development Acts of 1986 and 1988, and the Energy and Water Appropriations Act of 1993.

Study Background: Project construction was originally organized into three phases. The first two phases were divided geographically along the river below and above Donaldsonville, Louisiana. Phase I was completed in December 1987 providing a depth of 45 feet from Donaldsonville (Mile 181.0) to the Gulf. Phase II was completed in December 1994 deepening the channel between Donaldsonville (Mile 181.0) and Baton Rouge including dredging eight river crossings.

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Reevaluation Study: The Louisiana Department of Transportation and Development (LDOTD) and navigation interests (Big River Coalition) support construction of a channel deepened to 50 feet. State law limits the cost sharing of a channel to no deeper than 53 feet. The GRR is being pursued to confirm the economic justification for channel deepening. To comply with the National Environmental Policy Act, a Supplemental Environmental Impact Statement (SEIS) will also be prepared. The SEIS will assess the impacts of a deeper navigation channel and its associated features on existing and future conditions in the project area. Compliance with all applicable environmental laws and regulations will be updated and documented in the SEIS.

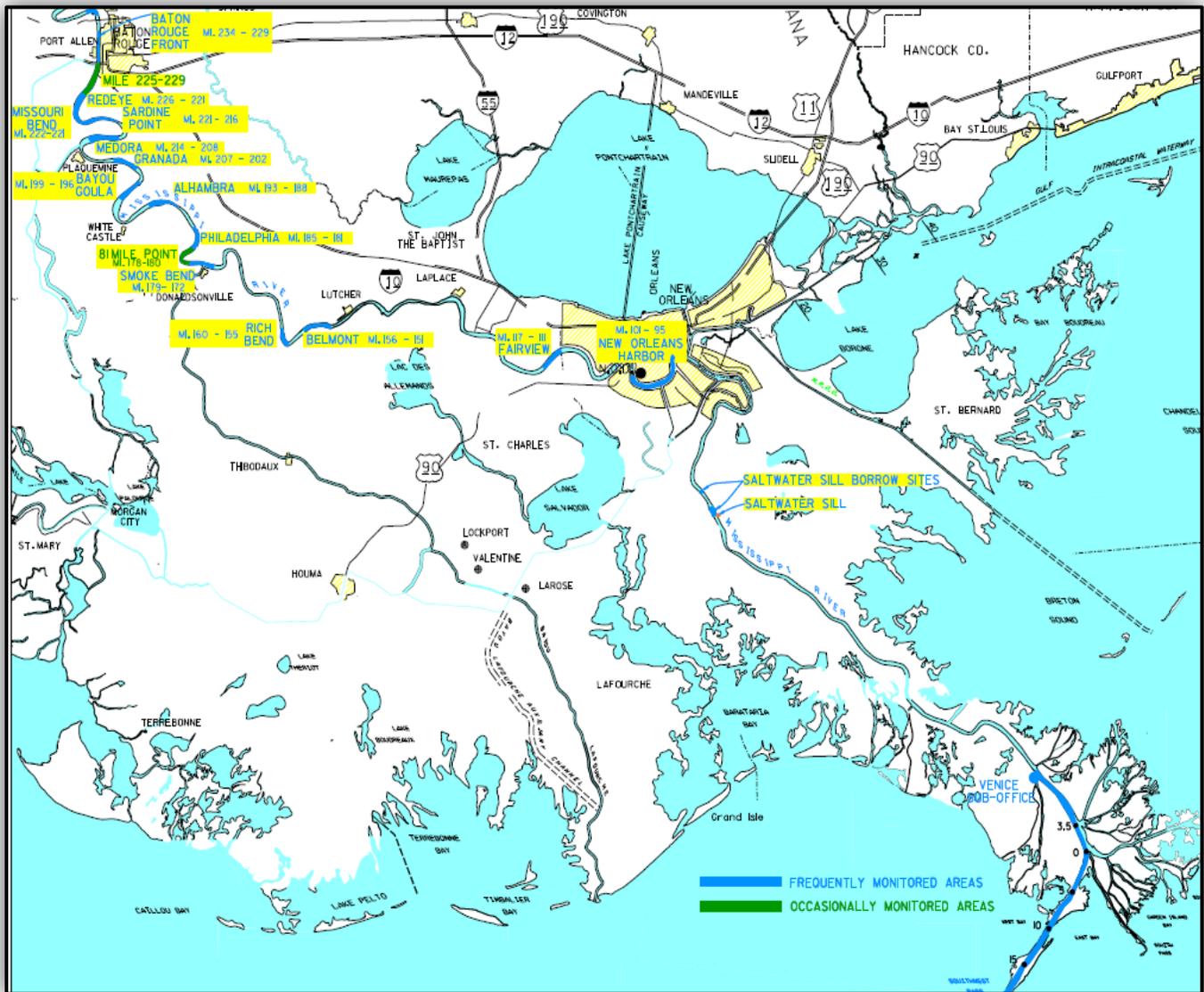
Opportunities: The Ship Channel project serves four of the Nation's top ten ports. Forecasts indicate that the U.S. will remain the single largest participant in the global grain trade and U.S. coal producers will continue to hold a marginal position in the global market. Grain producers forecast most of their exports being shipped from the Center Gulf region via the Lower Mississippi River Deep-Draft Ports Complex, with about one-half of the increase in grain exports transiting the Panama Canal. The Gulf Intracoastal Waterway and the Lower Mississippi River serve ports that accounted for 72 percent of inland waterborne exports in 2010. One-half of the growth in Center Gulf bulk exports is expected to use the Panama Canal and it is projected that the share of exports will increase over the next 10 years.

Sponsors: The U.S. Army Corps of Engineers and LDOTD are cost-sharing the GRR and SEIS.

Steps Toward Deepening: The Big River Coalition has previously identified three steps that had to be achieved in order to deepen the Ship Channel to 50 Feet:

- 1) Change the federal threshold for full federal channel maintenance from 45 feet to 50 feet. This step was completed within the Water Resource Reform and Development Act of 2014.
- 2) Complete a GRR and SEIS to provide the economics that would financially justify deepening the Ship Channel to 50 feet. The Corps' Mississippi Valley New Orleans and LDOTD signed a cost-share agreement for the GRR on April 2, 2015. The finalized reports should be completed no later than March 2018.
- 3) Deepen the Ship Channel to accommodate vessels with a draft of 50 feet in two phases, first from Venice to the Gulf of Mexico and then from Belmont Crossing to Baton Rouge. The deepening strategy was also broken down into two phases when the channel went from 40 feet to 45 feet. The deepening is estimated to cost a total of \$300 million and the indicators remain strong that the updated reports will present overwhelming justification to deepen the Ship Channel. History proves the economics for deepening the Ship Channel to 55 feet were warranted by the mid-1980s, at least 20 years before the benefits of the third set of locks on the Panama Canal could be factored in.

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Sincerely,

Sean M. Duffy, Sr.

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Executive Director