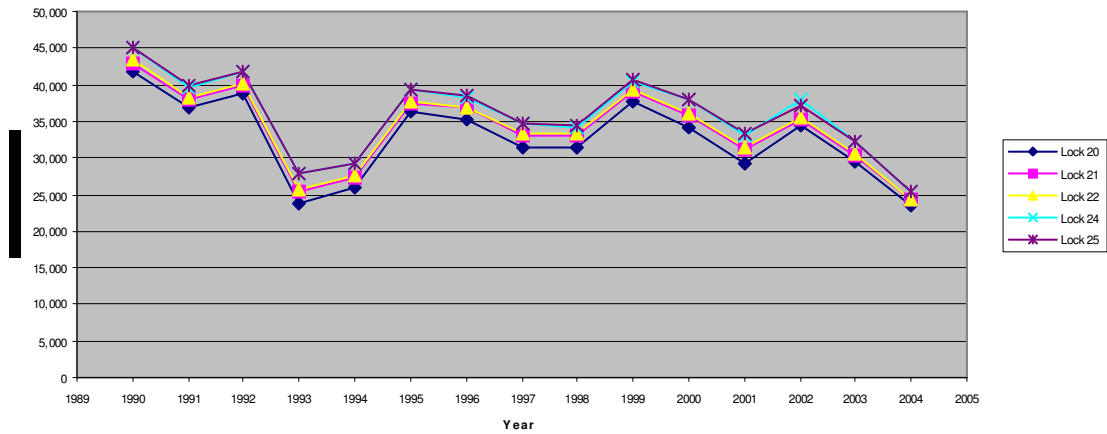


Mississippi River Lock Expansion: Costly Boondoggle Will Waste Scarce Funds

Sec. 8003 of the H.R. 2864, the Water Resources Development Act of 2005, authorizes the U.S. Army Corps of Engineers (Corps) to spend \$1.8 billion to replace seven 600-foot-long locks on the Mississippi and Illinois Rivers with new 1,200-foot-long locks.

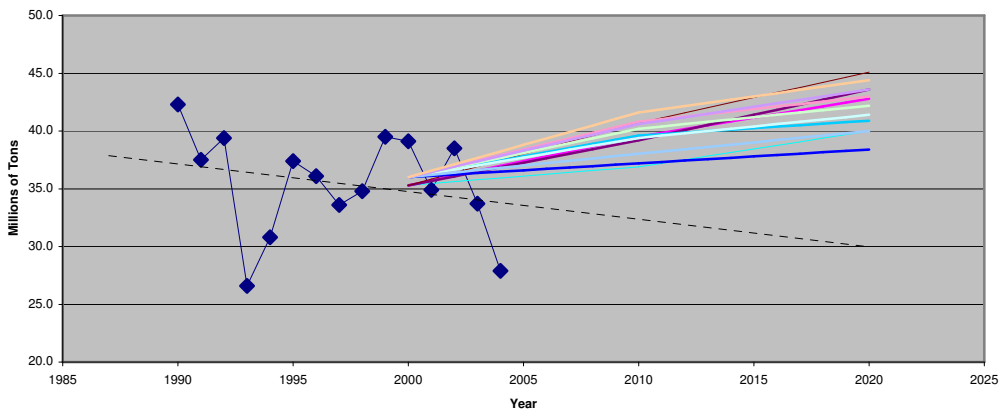
River traffic is declining. The Corps claims the new locks will reduce lock delays from *future* projected growth in traffic, but the Mississippi River traffic has been flat since 1980 and has actually declined for three straight years to the lowest level since the Great Flood of 1993. Nonetheless, the Corps and lock advocates contend that traffic trends will suddenly reverse and grow dramatically in the next few decades, presumably creating delays at locks that would justify this costly project.

Barges Processed at UMR Locks 20 through 25
1990 through 2004



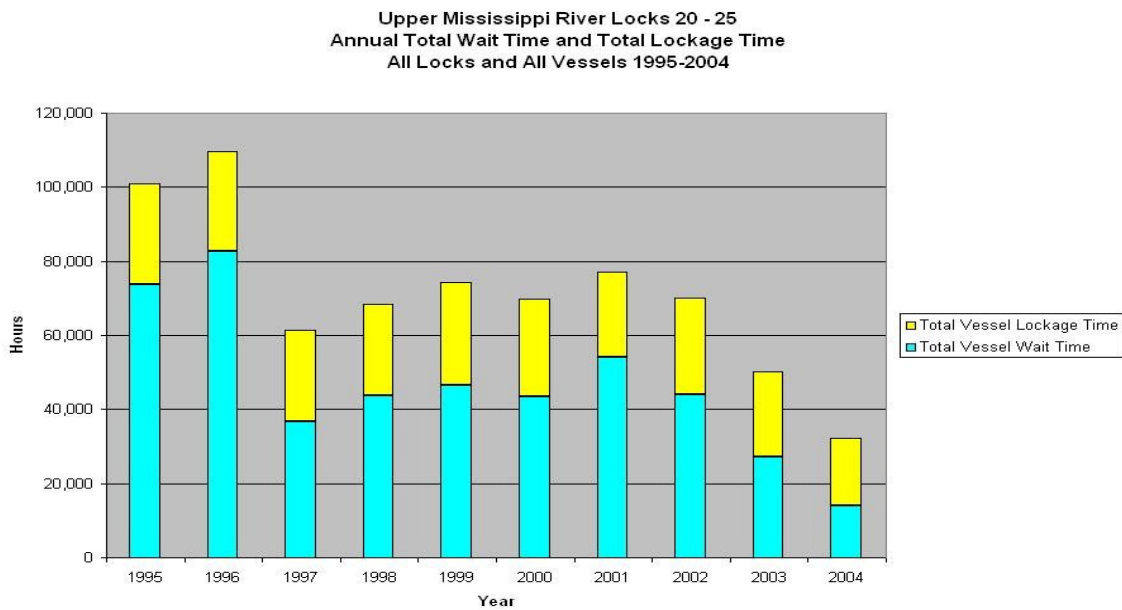
Experts reject Army Corps' traffic forecasts. Since the Corps was caught cooking the books by the Department of the Army's Inspector General four years ago, two panels of the National Academy of Sciences and the Congressional Research Service have called the Army Corps' optimistic traffic forecasts unrealistic. In fact, the NAS last year said declining river traffic "most closely replicates the conditions of the past two decades."

Upper Mississippi River Lock 25
Corps Traffic Scenarios
(compared with historic trendline)
2000 to 2020



More and more grain is used domestically, shipped by rail. More and more grain is used to produce ethanol, livestock and other value-added products that earn farmers more money and that create jobs in rural communities. And, significantly more grain is now being shipped by rail to Canada and Mexico (since passage of NAFTA) and to West Coast ports for shipment to Asia, according to the CRS. But, the Army Corps and barge boosters ignore these important trends.

Lock delays have declined. Lock delays have declined significantly in recent years as river traffic has declined and as barge companies have added new equipment that helps speed passage through locks. Spending \$1.8 billion to expand the length of seven locks would reduce a 20-day trip from Iowa to New Orleans by less than half a day. Overall, lock delays comprise only about 1% of the time a bushel of grain spends on a barge.



Corps traffic forecasts are typically wrong. Corps traffic forecasts have been wrong before – most recently for Lock and Dam 26, the last lock replaced on the Mississippi River. The Corps predicted that 123 million tons of commercial traffic would pass through Lock and Dam 26 by 2000, but only 73 million tons of commercial traffic moved through the expanded lock that year. In fact, only 2 of 14 inland waterway projects constructed since World War II have attracted as much commercial traffic as the Corps predicted.

New locks would divert 10% of Corps spending. The lock expansion project would cost at least \$1.8 billion – the second most expensive waterway project in American history – and would annually divert 10% of federal water infrastructure funds for decades. The Corps already has an active construction backlog of projects with costs totaling more than \$58 billion – and less than \$2 billion a year to construct these authorized projects. Building new locks would annually divert about \$190 million a year. That means that other worthy port deepening and shore protection projects would take longer to build – if they are built at all.

And, new locks would return only five cents on the dollar. The modest amount of time spent waiting for an opportunity to move through the rivers' locks could earn barge companies only \$10 million annually if this barge time were resold. This chart shows the number of hours that could be resold, multiplied by the cost of renting barge. And, building new locks would reduce the total cost of shipping a bushel of corn and soybeans from Minneapolis to Asian markets by only a fraction of a penny.

Year	2003	2002	2001	2000	1999	1998
Barge Hours	721,099	695,550	778,868	609,470	672,083	655,205
Value per Hour	\$13.94	\$13.94	\$14.76	\$15.31	\$16.20	\$14.44
Total Value	\$10,049,003	\$9,692,969	\$11,493,944	\$9,329,538	\$10,885,523	\$9,459,356

The locks are not crumbling. All locks have been rehabilitated. The locks and dams are not falling into disrepair, as the Corps and lock advocates contend. In fact, over the past 15 years, the Corps has rehabilitated many of the locks they now propose to replace. One of the locks the Corps would replace is **currently** undergoing rehabilitation. According to the Corps, *“the life of existing locks and dams and their components can be extended for another 50 years with normal periodic rehabilitation and match the design life of any new construction.”* Overall, the Corps has spent more than \$900 million rehabilitating the river’s locks and dams since 1975, extending the productive life of the existing Upper Mississippi and Illinois river locks for decades.

Lock and Dam 25	Rehab Complete	2001
Lock and Dam 24	Rehab Underway	2007
Lock and Dam 22	Rehab Complete	1990
Lock and Dam 21	Rehab Complete	1990
Lock and Dam 20	Rehab Complete	1994
Peoria	Rehab Complete	1991
La Grange	Rehab Complete	1991

Congestion management measures can relieve congestion now – not decades from now. Corps studies show that inexpensive small-scale measures like traffic scheduling, mooring cells, and helper boats could reduce lockage times by 20 minutes or more. And, unlike new or expanded locks that will take decades to build, small-scale measures can be implemented right away at a fraction of the cost. As the NAS said in 2004, *“implementing some nonstructural measures for managing waterway congestion would decrease congestion, reduce shipping costs, and use the existing waterway more efficiently. Because the costs of implementing nonstructural measures are small, and because some have positive net benefits, implementation of these measures should be of the **highest priority**.”* (emphasis added). The NAS has also said that it is not possible to determine whether new locks are needed until such traffic management measures are in place.

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