

Navigation Industry Engagement Meeting

24 MAR 2016 (9:00 a.m. to 4:00 p.m.)

PURPOSE: Review of FY16-18 Major Maintenance Fleet Repair Schedule and take the next step in establishing regular industry coordination meetings.

USACE Opening Remarks: Mr. David Dale: Director of Programs, LRD

Transparency: Goal is for industry to understand our process, timely engagement to interact, and listen to industry concerns.

Learning Opportunity: Looking at concept of brief (30 minute) sessions that run through USACE budget and economic process and tools. Industry concurs and would like to present BARGE 101 to USACE.

Decision Makers: Understand who that is in LRD - David Dale. His focus in making decisions is Value to the Nation. Not savings to USACE or industry. Constant metric for decision making is value to the nation.

COL Ben Bigelow: He noted the importance of the staff to ensure regional senior leadership is engaged at appropriate times.

INDUSTRY: Mr. Marty Hettel: American Commercial Barge Lines

The IMTS is Value to Nation when it is efficient and reliable. When the cost of delivering these goods to that nation goes up, value goes down. Draft HQUSACE scheduled and unscheduled closure notification procedure is a positive step. Industry that operates within each Corps Division, should be at the table for engagements. Mr. Dale received input and emphasized importance of not excluding representatives. Industry requested USACE to draft guidance.

Industry recognizes full consensus/agreement not always possible. Priority is for industry to be at the table and have a voice and understanding of the process. Collaborative planning benefits all. Industry black hole is how changes to the President's Budget (PB) are made and distributed (Work Plan).

Mr. Dan Mecklenborg (Legal) IWUB - Ingram Barge Company

Noticeable improvement in USACE/Industry communication. Value when USACE/Industry are aligned with each other.

Mr. Jay Ruble: Crouse Corporation

Important to also recognize that navigation industry stakeholders represent their customers whom they deliver product to.

Mr. Richard Kern: Ingram Barge Company

The Pittsburgh District has been conducting similar engagement for quite a few years. Initiative to expand this to the entire region is a positive step that looks at the entire system.

Mr. Richard Kreider: Campbell Transportation Company

January meeting in Pittsburgh reviewing Emsworth and Montgomery FY16 schedule one of the most productive in 20 years. Agrees with value of initiative to planning from system perspective.

ECONOMIC IMPACT EVALUATION:

USACE captures economic impact of main chamber closure based upon cost to use alternate means of transportation and assumes that alternate means is available.

Industry point of emphasis is that alternate means is not always available, and in time of crisis, cost of alternate means is frequently increased at the time of need. Also expressed concern with regard to impact of closures on long term effect of future business utilization of the system.

USACE recognizes this, but must also recognize the need and value to have a consistent standard to evaluate economic impact on a national level.

ACTION: Further discussion on topic with USACE Economic subject matter experts (SME).

What metric can we use that shows progress in addressing needed maintenance?

Industry would like “Chicklet” Chart showing OCA component rating and respective division scheduled/unscheduled closure data (not USACE as a whole).

Social/Economic/Environmental: USACE refers to as TRIPLE BOTTOM LINE utilized in assessing VALUE TO THE NATION when making investment decisions.

ILLINOIS RIVER FISH BARRIER:

There is a significant cost to operate the Illinois Fish Barrier that will be moving from Construction funding to O&M funding starting next year. Industry would like to better understand these types of increases to the cost of maintaining the system as they clearly increase the O&M cost relative to past years.

ACTION: USACE to provide Industry understanding of how Barrier costs affect cost of maintaining the lock and dam system.

FLEET SCHEDULE REVIEW:

-Important to address peak transportation “seasons” such as south bound movement of harvested grain (especially Meldahl and below) and taking advantage of MINE shutdowns. Performing closures at times that minimize economic impact to industry provides VALUE TO THE NATION.

FY16:

- **52 Primary Chamber Cell Banding SEPT16.** Conversation centered around taking risk of cell breaking and taking risk of unscheduled closure to repair or have a scheduled shutdown. Metric is how long for emergency repair versus scheduled repair. If they are the same, should we take the risk and not do a scheduled closure.

DISCUSSION: Work may be pushed due to work at J.T. Myers Dam. If this does not happen, can USACE give estimate of unscheduled repair time and engage industry before deciding on scheduled repair? Another option is temporary under water patch and fill versus shutdown.

WAY AHEAD: (1) Engineering analysis of feasibility of doing underwater repair of 52 cells; (2) Schedule J.T. Myers and do 52 if conditions are conducive. Confirm J.T. Myers is next project in the queue in terms of asset management risk/consequence criteria.

- **GREENUP Primary Chamber Miter Gate JUN-SEPT:** Is there any way to shorten duration of closure?

DISCUSSION: Ability to modify contract awarded for crane to set replacement gate to instead remove existing gate. Take action necessary to initiate new contract for crane to install replacement gate. Outcome is possible decrease in closure time.

How do we track lock delay? National process. Any changes need to be made at HQ level. Topic for LRD to discuss with HQ. Recent changes do not meet industry concerns of starting from point of arrival to point of completing lockage for complete tow. Concerned that moving mooring location resets time in queue.

WAY AHEAD: USACE will consult with CONTRACTING to determine feasibility of changing contract from install to remove and new contract to install. Need LRD support in conversation with LRD. USACE will determine feasibility of using a floating crane from the Olmsted Dam Project.

Project queue of closure, perhaps based on historical information (look at total number of barges passing through project). NAV CENTER can do this. Huntington District will work.

FY17

- **Newburgh OCT-DEC:** Can floating mooring bitt (FMB) work be performed via contract when we are working in FY18 doing primary chamber pintle ball replacement?

DISCUSSION: Feasible if LRD will support incorporating FMB package in FY18 package.

WAY AHEAD: Review industry recommended change in schedule.

- **Meldahl Primary Chamber Upper Miter Gate Replacement MAY-SEPT:** Can closure time be reduced?

DISCUSSION: Swap FYs for Newburgh and Meldahl. Work Newburgh in FY17 and Meldahl in FY18 with the SHREVE.

WAY AHEAD: Review industry recommended change in schedule.

- **Braddock/Charleroi:** Back to back primary chamber closure FEB-JUN.

DISCUSSION: Any intermittent lockages available? Any opportunity to do during MINERS HOLIDAY or shift Charleroi to the right and provide time in between closures to clear queue

WAY AHEAD: Current schedule for Charleroi includes interim openings during work to clear queue and possibly move Charleroi to the right and provide more time between closures to clear queue.

ANNUAL FURLOUGH: Possible to schedule NOV-DEC and work JAN-FEB to avoid loss of work days during holiday period.

- **Wilson APR-JUN:** Clarify if work is total closure or intermittent open.

- **Chickamauga FY17 and FY18:** Provide feedback to industry on outcome of FY17 inspection and anticipated scope of FY18 work. Can work be pushed until chamber replacement?

- **52 Repairs to auxiliary chamber miter gate sill JUL-SEP:** should we take the risk and not do a scheduled closure?

FY18:

- **Chickamauga:** Provide feedback to industry on outcome of FY17 inspection and anticipated scope of FY18 work. Can work be pushed until chamber replacement?

- **Dashields and Montgomery:** Any opportunity to reduce total closure time or do concurrent closures? Will have to schedule not to conflict with either Newburgh or Meldahl main chamber closures.

LRD will target 29 April 2016 for the final/revised tentative schedules based on the feedback received during the meeting.

LOW TONNAGE LOCK MAINTENANCE:

Allegheny River Lock 4 and Chickamauga: What is industry perspective on doing this work? Industry can easily work around closures for locks that have low tonnage. Industry perspective remains that lack of investment and/or closure has impacts to future investment in the system.

BUDGET: When is ideal time for industry to engage and what information can USACE provide?

SCHEDULE: Understand key "season" system movement periods and/or shutdowns

FUTURE MEETINGS:

Ms. Kim Longoria asked if every other month telecons with BG Kaiser, District Commanders, and their respective staff would be beneficial. Mr. Hettel stated any communications is better and recommended operating entities (ICE, CORMIG, etc.) should be invited as well. USACE will coordinate meetings.

Mr. Kareem El-Naggar provided a draft budget and communication schedule for industry comment. Annual January and March meetings will review repair schedules - pre and post the release of the President's Budget, as well as a July meeting to review the changes. These would be in addition to the fall stakeholder's meeting for the larger group. The purpose of holding 3-4 meetings each year is to

keep the momentum and ensure industry and USACE are able to maintain a proactive approach to future maintenance and repair scheduling efforts. It was noted the Inland Waterways Council (IWC) meeting is scheduled for 15 – 17 November 2016 in Cincinnati and it would be beneficial to hold the stakeholder meeting adjacent to this meeting.

Mr. El-Naggar and Mr. Dale mentioned a "Barge 101" session for USACE and a series on educating industry regarding the budget process as possible topics for the every other month "Brown Bag" meetings.