



FEBRUARY 17, 2012

**ORVA POSITION PAPER
QUACHITA-BLACK RIVERS NAVIGATION PROJECT
PROPOSED REDUCTION IN OPERATIONAL LOCK SERVICES BY VICKSBURG DISTRICT,
U. S. ARMY CORPS OF ENGINEERS AS PRESENTED AT
2012 ORVA PDT- FEBRUARY 7, 2012-MONROE, LA**

OUACHITA RIVER VALLEY ASSOCIATION'S (ORVA) RESPONSE

1. First and foremost, ORVA's position is as stated in the Resolution entitled "RESOLUTION OF THE OUACHITA RIVER VALLEY ASSOCIATION ADDRESSING PROPOSED REDUCED OPERATION SERVICES OF THE OUACHITA-BLACK NAVIGATION PROJECT, RED RIVER TO CAMDEN, AR, BY THE VICKSBURG DISTRICT, U.S. ARMY CORPS OF ENGINEERS", dated July 26, 2011 and presented to the Vicksburg District, U. S. Army Corps of Engineers, same date.

In summary, our position is that the Navigation Project was signed into law by both Houses of Congress and the President of the United States in the Rivers and Harbors Act of 1950 and modified by the Rivers and Harbors Act of 1960, to be operated and maintained at full Federal expense; therefore the U. S. Army Corps of Engineers, as the construction, operation and maintenance arm of Congress, should operate and maintain all features of the project on a 24 hour basis, year round, at project specifications, as Congressionally authorized-any reduction in services is unacceptable. Having stated this, our comments to the Vicksburg District's proposed reduction in operational services plan as presented on February 7, 2012, 2012 ORVA PDT, at the Tensas Basin Levee District's Hqs. in Monroe, LA, are stated below.

2. Specific comments follow:

Reference slide entitled "PROPOSED LOCKING SCHEDULE"

1-Mid Summer 2012-ORVA suggests:

-Jonesville and Columbia-0300-2100/7 days/365

-Double Cut Tows-conducted during same time frame as above

-Felsenthal and Thatcher-0400-2000/7days/365

2-Post IMTS LOS Implementation in 2013-ORVA suggests:

-Jonesville and Columbia-same as Mid Summer

-Felsenthal and Thatcher-0400-2000/7 days/365 (use Level 4)

OR

as an absolute minimum

-Felsenthal and Thatcher-0400-0800 and 1600-2000/7 days/365

3-Rationale for ORVA's position:

- As previously stated, our position is that the project needs to be operated on a full time basis. We strongly believe if the upper two locks are only operated three days a week and with the lower two only operating essentially two shifts per day as suggested, tonnage will decrease dramatically, no new shippers will consider locating along the Ouachita, and eventually the project will be placed in "caretaker" status. Since operational levels are being based on tonnages, there is no way tonnage is going to increase with the project being operated on a limited basis.

-We believe that the Corps decision on reduced lock operation is flawed in that all Corps economic studies assume full project operation to produce the optimum level of benefits. The decision to cut back in operation until tonnages increase runs completely contrary to the approach used in determining if a project would be built. It is just not logical to think tonnage would ever increase when you cut operational hours to the extent proposed.

- We are talking about the death of one of the primary generators of economic and environmental activity in the Ouachita River Basin-the Ouachita-Black Rivers Navigation Project. With the United States economy appearing to be back on the upswing, it is premature to take such drastic action. Furthermore, what is done on the Ouachita-Black system will likely set a precedent for other navigation systems in the United States. WE ENCOURAGE THE CORPS TO EXAMINE ALL POSSIBLE ALTERNATIVES TO KEEP THE PROJECT OPERATING ON A FULL TIME BASIS.

- In developing alternatives in response to reduced budgets, one must keep in mind that the Ouachita-Black Rivers Navigation Project is a multi-purpose project providing navigation, recreation, flood control, water supply and fish and wildlife benefits. Each of these purposes has a specific customer base that must be considered. The proposed locking schedule ignores the recreation public in that most hunters and fisherman prefer to engage in those activities in the early morning and late afternoon periods. With the locks not beginning to operate until 0700 and being closed from 1600 to 1900, the prime times for these recreational activities will not be available where transit through the locks is desired. We don't see much demand for recreational craft to be locked through during the 1900-0400 timeframe. With the recreational craft comprising 44% of the nearly 3,200 vessels locked through in 2010, they should be locked at a time favorable to the activity. With this in mind, we believe the locks should be operated on a continuous basis for available hours rather than splitting the shifts as shown. Also, we believe our tows could schedule their routes so as to arrive in a 16 or 18 hour window as easily as having the two shifts split for 3 or 4 hours. Thus, our suggestions for Mid Summer 2012 are as shown in paragraph 2.

- Post IMTS LOS Implementation in 2013-Felsenthal and Thatcher- ORVA is TOTALLY opposed to operating the Felsenthal and Thatcher Locks only three days per week and on holidays. This would be FATAL to the Navigation Project. We believe that Level of Service 4, rather than Level 5, should be the basis for determining lock operation since there is limited commercial and substantial recreational

traffic. Two commercial firms, Cross Oil and TETRA, operate tows on the Ouachita River and utilize the navigation pool in the southern and northern portions of the project. In 2010, over 1,100 recreational craft were locked through the Felsenthal and Thatcher locks. As you are aware, Cross Oil had shifted to pipeline/truck for their products in 2011, since the project was not dredged to sufficient depth to allow for economical and safe shipping. They have since come back to the river for partial shipments and have approximately 30,000 tons moving on the system the first quarter of 2012. The demand for the products of both companies is good and they anticipate increased shipments in the future. Level 4 would allow lock operation 7 days a week as opposed to only 3 days under Level 5. We believe the upper two locks should be operated from 0400-2000/7days/365; if mandated by reduced budget constraints, this is our preferred option. As an absolute minimum, Felsenthal and Thatcher should be operated from 0400-0800 and from 1600-2000/7 days/365. This would better accommodate all users. The Corps plan has them being operated for a total of 48 hours over the three days per week, from 0800-1600 and from 2000-0400. Our minimum is for 56 hours, only 8 more hours per week than the Corps. Not many recreationists would lock during the 2000-0400 period in our view.

- As a minimum, the locks need to be made available on an appointment basis for commercial traffic. It would be most difficult for TETRA to hit the Felsenthal lock when it opens on Friday, travel to the Port of Crossett, load 2 barges and get back through before closing on Sunday. Any weather, equipment, or other delays, caused by lock conditions or recreational user issues, will mean the tow could be behind the lock for days! Having the ability to make firm appointments to operate the locks will allow TETRA, or any commercial operator, the ability to continue planned transits, as well as future growth. If the locks are closed for four days, Cross Oil would find other means to transport their product. Commercial tows just cannot feasibly wait 4 or 5 days to lock through. An "appointment basis" condition for commercial tows needs to be specified as part of the plan.

- Cross Oil and Refining Co., located at Smackover, AR, has a \$60 Mil. construction program underway at present to double plant capacity. An additional 60 employees will be hired. Their purchase of crude oil for refining purposes will double after the plant expansion is completed-this supply stock will be received by pipeline, truck and barge. Some finished products, such as diesel fuel, are planned to be shipped back down the Ouachita River in barges that deliver crude oil- in fact, that has already started.

- TETRA invested over \$100 Mil. at El Dorado, AR in a calcium chloride plant in order to meet the demands of the growing gulf coast region. TETRA's business plans are to continue to increase the production of the EL Dorado, AR plant in future years based upon the growing customer base and markets. One of the primary markets that TETRA will grow in is the oil field segment of the gulf coast area. This product is shipped to various terminals and customers via barge from their Crossett, AR terminal and they anticipate continued growth in future years. Without access to the gulf coast market via the Ouachita River, TETRA's operation at El Dorado and Crossett, AR will be damaged.

- The navigation pool provides a reliable source of surface water for industrial, municipal, electric utility companies and agricultural use along the system both in AR and LA. Some of the larger industries include El Dorado Chemical, Entegra/Union Power Partners, Great Lakes/Chemtura Central Plant, Lion Oil Refinery and Arkansas Electric Co-Operative in Arkansas and Graphic Packaging and Entergy in Louisiana—these plants provide employment for several thousand residents of the Basin. The cities of Hot Springs, Malvern, Arkadelphia, and Camden in AR and Monroe, LA withdraw their municipal water from the Ouachita River. In addition, there are numerous agricultural withdrawal sites along the river. By using surface water from the Ouachita River, Sparta Aquifer water levels in AR and LA groundwater level monitoring wells have increased since 2004, one as much as 62 feet in the El Dorado, AR area. The

importance of maintaining the navigation pool can't be overemphasized as South Arkansas' and North Louisiana's reliance on the Ouachita River for surface water and its multiple contributions to the overall economic wellbeing will only increase.

- The navigation pool also provides for a flourishing fish and wildlife habitat for the Ouachita River Basin. Sportsmen are attracted to the river area by the hundreds to pursue excellent hunting and fishing opportunities. The Navigation Project has in effect created a totally new ecological system by pooling water on a year round basis. The Felsenthal Pool, created by the navigation project, has created one of the premier hunting and fishing areas for South Arkansas and helps the U. S. Fish and Wildlife Service meet its mandate of providing wintering waterfowl habitat in compliance with the North American Waterfowl Management Plan. The recreational opportunities created by the navigation project has created hundreds of jobs in the outdoor sporting areas, bait shops, sporting goods suppliers, boat dealers, and camp grounds just to name a few. These businesses create a strong economic impact on local communities that would be lost without the continued operation of the project. Without the project, the permanent pools of water would not exist and there would be times during the year that a person could walk across the river bottom. Navigation, flood control, water supply, recreation and fish and wildlife would be drastically impacted and in most cases cease to exist.

- The Felsenthal National Wildlife Refuge, covering 65,000 acres in Ashley, Bradley and Union counties, is the world's largest green-tree reservoir. The refuge comprises the 15,000-acre Felsenthal Pool on the Ouachita River that is approximately 36,000 acres during the winter season. The objective of the refuge is to provide and enhance a reliable environment for migratory waterfowl and other birds. The refuge offers a habitat for almost 100 kinds of birds and many more species during the migratory season. Furthermore, it provides habitat and protection for endangered species such as the red-cockaded woodpecker, threatened American alligator, and bald eagle. Since the refuge has a capability of 36,000 acres during winter flooding, it has become an important habitat for waterfowl with the uttermost population over 300,000 birds in recent years. In 1998, the Arkansas Game and Fish Commission transferred many American black bears, the only kind of bears in Arkansas, from the White River refuge into the Felsenthal National Wildlife Refuge for habitat recovery.

- And finally, the pool provides ample volume and flow for municipal and industrial treated wastewater discharge. Also, as we learned this past October with Georgia Pacific in Crossett, AR, 24/7 gate operation is essential in times of low flow restrictions in order for discharge permits to meet minimum cfs.

- Provisions should be made to have someone at the locks at all times even if it entails hiring contract security personnel. The risk for theft and vandalism are too great to not have these structures manned at all times.

- The Corps should implement a program of cross training the lock and gate operators, if not already in place. This would permit a better utilization of limited staff to keep the locks and gates operational in a more cost effective manner.

- The possibility of state and other federal agencies being involved from a cost sharing perspective should be explored. The states of LA and AR and the U. S. Fish and Wildlife benefit from the project and possibly could share in the overall operational and maintenance costs.

3. These comments are furnished in interest of coordination/collaboration/being a team player, etc. and do not in any way imply ORVA's consent or concurrence with any plan that provides less than 24/7/365 operation of the Ouachita-Black Rivers Navigation Project.

4. Thanks for the opportunity to comment on the proposed plan.

Mike Dumas
President, ORVA