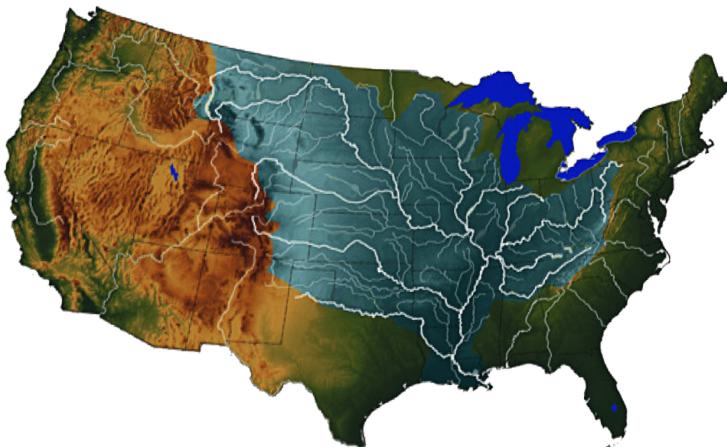


BIG RIVER COALITION



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June 28, 2019

Mr. Thomas Smith
Chief, Operations and Regulatory Division
Directorate of Civil Works
441 G Street NW
Washington, DC 20314-1000

National Dredging and Industry Corps Hopper Dredge Management Group (ICHDMG) Meeting Notes 61319

Mr. Smith,

Please accept the following observations based on the dialogue at the meetings of the National Dredging and Industry Corps Hopper Dredge Management Group in New Orleans. During your introductory statement you highlighted three key USACE objectives: to accelerate project delivery, transform financing and budgeting and to improve permitting and regulation reform.

In opening statements Bill Doyle of the Dredge Contractors of America referenced significant capital investments being made by the dredge contractors, including reference of two 6,000 cubic yard hopper dredges being built by Cashman Dredging. Mr. Doyle also suggested addressing challenges related to channel maintenance of Southwest Pass and contracting dredges earlier than normal, prior to high-river conditions or shoaling. He also mentioned challenges caused by various environmental windows on the east coast.

The Big River Coalition requests additional information about the capital investment referenced by the dredge contractors specifically regarding the new hopper and cutterhead dredges. The members of the BRC depend upon the dredging industry to provide sufficient equipment to respond to shoaling on the Mississippi River Ship Channel. Mr. Doyle pointed out the newest two hopper dredges increased the capacity of the hopper dredge fleet by a reported 30 percent, however, neither of the hopper dredges christened in 2017 have responded to bid advertisements for contracted work in Southwest Pass. The mention of the new hopper and cutterhead dredges is good news and we remain hopeful to test this new equipment on the Mighty Mississippi.

Kathy Griffin (USACE) requested that those in attendance get more involved on efforts to sort out the problems related to the annual equipment challenges related to maintaining Southwest Pass. There was reference to a follow up meeting in October (2019) and then Bill Doyle suggested a meeting before October to review the same efforts to maintain Southwest Pass. I requested that the Big River Coalition also be invited to participate in future meetings, especially those discussing the maintenance of Southwest Pass.

Cody Eckhardt (USACE – Mississippi Valley New Orleans) referenced that over 150 days of Red Flag work had been completed in Southwest Pass this year under 4 Red Flag Emergency Call Outs. The WHEELER

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is presently working under Red Flag Emergency Call Out #5-2019 and is scheduled to work Red Flag Emergency Call Out #6-2019 in July and August. The number of Red Flag Call Outs for Southwest Pass highlights that we have a shortage of industry hopper dredges and arguments to the contrary are misleading, with the WHEELER working so many Red Flag days only a minimal number of Readiness Exercise days have been utilized. If industry hopper dredges responded to the advertised contract the WHEELER would still be able to work under Readiness Exercise days. The simplified form is that the Red Flag means we have one dredge working when we have justification for two, especially considering we have had a deficient channel since January 2019.

Dr. Katherine E. Brutsché then discussed the Regional Sediment Management Program and noted a belief that the Coalition is very supportive of, simply that sediment is a valuable resource. Dr. Brutsché also referenced the 10 projects that were chosen to be “pilot projects” under Section 1122 of the Water Resources and Development Act of 2016. According to our records of the nearly 100 projects submitted for inclusion, the most of any state were from Louisiana, sadly though none of the 10 selected pilot projects are in Louisiana.

On the second day, the USACE Project Manager for the Mississippi River, Michelle Kornick of Mississippi River Valley New Orleans (MVN) presented on the equipment needed for the maintenance of the Mississippi River Ship Channel. This discussion brought to light that there is great disparity between the President’s Budget and the actual funding needed for average annual dredging requirements.

Earlier this year there were five hopper dredges and two cutterhead dredges working in Southwest Pass at one time and authorized dimensions could not be restored. Historical data indicates that 6 hopper dredge contracts are needed for the Mississippi River and Southwest Pass annually. There are 2 major factors that severely restrict maintenance of the Mississippi River and play a role in Mississippi River Ship Channel deficiencies:

- 1) The inadequate amount in the President’s Budget Request is one contributor to the problem of maintaining Southwest Pass. This can be verified by the continual need for emergency supplemental funding. The average President’s Budget Request is approximately \$90 million, while the 5-year average of total funding for MVN has now reached \$151 million.
- 2) The other problem is that the U.S. hopper dredge fleet is inadequate and new hoppers designed to flourish in the harsh environment of Southwest Pass are needed. This can be verified by the number of no bids from the dredge contractors and for the most part documented by the large number of Red Flag Emergency Call Outs. During record flood events since 2008, 10 to 14 hopper dredge contracts to restore Southwest Pass were solicited each year with several solicitations unanswered.

Mr. Doyle and representatives of Manson Construction then advised those in attendance about their recent efforts to keep the hopper dredge GLENN EDWARDS working in Southwest Pass by requesting an extension from the USACE. Manson reported that the job in Thimble Shoal, Virginia did not represent an emergency condition or deficient channel (or something close to that, I defer to Manson to better document what they shared). Manson indicated that they could fulfil the Thimble Shoal contract and continue to respond to the emergency channel conditions in Southwest Pass. As I stated at the meeting when the hopper dredge GLENN EDWARDS departed Southwest Pass, the navigation industry and pilots were left to believe that the Corps had given up and failed their mission to maintain authorized channel dimensions on the Mississippi River Ship Channel. The USACE’s #1 Navigation Project in the country, the Mississippi River Ship Channel has been at reduced dimensions for nearly six months and the Corps has not been able to adequately respond to the perceived changes related to increased precipitation and record flooding. Our economic prosperity depends on our ability to adapt to the present channel conditions and the development of strategies that can maintain commerce and the deeper channel dimensions required by modern neopanamax vessels.

On the last day you made comments about the ELLIS ISLAND (Great Lakes Dredge & Dock) or MAGDALEN (Weeks Marine), the two newest hopper dredges, being unable to work in Southwest Pass because they had not completed the water pumping test. I was pleased to hear the response from Weeks Marine indicating

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they were prepared to conduct the necessary test this summer. As you will recall, Weeks Marine indicated the MAGDALEN would be working nearby on Ship Island (Mississippi) and would allow the required tests to be conducted during that time. The navigation industry hopes that the ELLIS ISLAND can also be made available to respond to the need for hopper dredges in Southwest Pass in the near future.

The Big River Coalition is committed to ensuring the future of navigation on the Mississippi River Ship Channel (MRSC) as one of the nation's fundamental natural resources and true economic powerhouse. **The Mississippi River has an estimated \$ 735.7 billion annual impact on the nation's economy and is responsible for approximately 2.4 million jobs (585,000 jobs on the Lower River – Cairo, IL to the Gulf of Mexico and 1.86 million plus jobs on the Upper River-Lake Itasca, MN to Cairo, IL and including the IL River).** The Coalition strongly believes that the recurring draft restrictions in Southwest Pass cannot be properly addressed without representatives from the navigation industry present to ensure that the path forward will promote real and workable channel maintenance solutions.

Sincerely,



Sean M. Duffy, Sr.
Executive Director