IHNC LOCK CONTINGENCY PLAN

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1. Introduction

The recent de-authorization of the MRGO in WRDA 2007 effectively eliminates the only alternate route for the GIWW in the case of a closure at the IHNC lock. Following the de-authorization of the MRGO, the Navigation stakeholders expressed concern that the IHNC Lock, which serves as a critical link between the east and west GIWW, could experience a failure resulting in a long term closure with no alternate route for the GIWW. This report will identify the GIWW stakeholders and impacts, a contingency plan for responding to future lock failures, a communication plan, and other suggestions provided during stakeholder coordination.

The GIWW provides an inland navigation link from Texas to Florida. This waterway carried 122 million tons of cargo annually according to the Waterborne Commerce Statistics 2006. The waterway transports coal, grain, aggregate, and petroleum products from suppliers to industries and military bases. The map below illustrates the GIWW in red. In order to minimize impacts to the transport of commodities on the GIWW and the ripple effect to the national economy and national security, this report was developed to assure the expedited restoration of navigation in the event of a prolonged closure of the IHNC Lock.

Figure 1.

2.0 Why Is IHNC Lock Different?

Many ask what makes the IHNC lock different from all the other structures along the Gulf Intracoastal Waterway, and why it should be viewed any differently from the other 9 structures along the 1300-mile waterway. Below are the reasons why we should view IHNC as being different from all other GIWW locks/structures:

1. It is 85 years old. This is the oldest lock in the GIWW system. The lock was designed, as are all USACE locks, for a 50 year life.

2. It is the only GIWW structure that passes deep draft vessels, and hence is subject to more "wear and tear" and risk than a shallow draft lock.

3. The major maintenance of the IHNC lock requires total shutdown for approximately 60 days. All other Gulf Coast structures, because of being shallow draft, can be repaired "in the wet" or with only a few days total closure. An example is the major gate repair done at Calcasieu Lock a few years ago, where a cofferdam was built to allow tows to continue to move during gate replacement.

4. The lock is located on a "canal" that can be totally obstructed by 2 draw bridges, adding risk to the reliability of this route as illustrated after Hurricane Katrina. Following Hurricane Katrina, the IHNC was closed for 14 days due to barges across bridges, bridges shut in down position, and a dry dock across the waterway.

5. It is the only lock on the GIWW-Miss River system with no alternative way around. The Harvey and Algiers locks may be used as alternates to one another if necessary. The Leland Bowman and Calcasieu Locks can be operated by open pass. Unlike most GIWW structures, water differential levels on the Mississippi River are often beyond those that would allow open pass operation of the IHNC Lock.

6. Cargos moved through the IHNC are of immediate impact to the public. Coal, fuel, and petrochemicals, if stopped, as occurred after Ivan and Katrina, will affect the public very quickly, as opposed to other cargos such as cement, steel, grain, and dry goods. The pricing and availability of gasoline, operational stability of chemical plants, local power production, and even military jet fuel are potentially impacted by the reliability of IHNC within days of a closure. Although its tonnage (16-19 million/yr) may be lower than other structures on the GIWW, the immediate impact to a large region of the country is significant.

3. Identification of Businesses Impacted IHNC Lock Closure

As part of its evaluation of the IHNC Lock contingency planning effort, industry stakeholder impact statements were collected from various industry beneficiaries along the Intracoastal Waterway who will be impacted by the decision to totally close the MRGO. The Gulf Intracoastal Canal Association (GICA) and Gulf States Maritime Association (GSMA) have been attempting to raise industry awareness of the added risk to maritime commerce with the upcoming closure of the MRGO since the MRGO Deep Draft De-Authorization study was authorized in the Emergency Supplemental Appropriations Act, 2006. With the closure of the IHNC lock for repairs in preparation for the year-end closure of the MRGO, many stakeholders came to realize that the upcoming closure of the MRGO is an increased risk to barge transportation reliability. With this realization, the navigation stakeholders began to respond with their concerns. While little specific economic impact data could be collected, all of the responses indicated significant concern on the part of the stakeholders if they were to have to rely solely on the IHNC lock for the next several years .Included in Appendix 2. are copies of statements from the following companies:

Shell Oil,
INEOS Phenol (via Port of Mobile),
Murphy Oil,
Huntsman/Kinder Morgan,
Solutia Chemical,
Mobile Abrasives,
Rhodia Chemical,
Occidental Chemical,
New Orleans Cold Storage,
Southern Companies,
Southern Recycling,
Port of New Orleans,
ThyssenKrupp Steel, USA.

Notably absent from this list of responders is Chevron's refinery at Pascagoula, Mississippi, a major supplier of gasoline and refined petroleum products who is dependent upon reliable flow of inland barges for sustaining steady plant operation. Also missing is the impact on the military air bases along the central Gulf region who get most of their aviation fuel by inland barge thru the IHNC lock. Lessons in the reality of the impact of a loss of barge transportation in this region have become very clear in the wake of recent hurricanes and the resulting impact on electric power production, public access, and pricing of consumer motor fuels in the Gulf region and even parts of the eastern seaboard.

4. IHNC Lock Contingency Plan

If an emergency closure occurred at the IHNC lock, the contingency plan is to immediately mobilize appropriate equipment to the lock and repair lock with spare parts on hand. An acquisition plan of spare parts is listed under Table 1 located at the end of this section. The following were identified by Operations Division personnel as possible failures which would likely result in a long-term lock closure (greater than 2 weeks).

1. Gate failures (Gates 1 & 2, 7 & 8)

   Contingency plan: If a gate is hit by a vessel and severely damaged, the spare gate numbers 5 & 6 would be used to replace damaged gates. A crane mounted on a barge with a capacity of approximately 300 – 350 tons would be required for the repairs. The contingency plan would be to issue an emergency contract to a contractor in the vicinity of the IHNC lock. Table 2 (located at the end of this section) includes local contractors that could respond to an emergency solicitation. In addition, contact would be made with other Districts in Mississippi Valley Division (MVD) for location of marine equipment that could be directed to mobilize to the lock. A list of MVD marine equipment is listed in Table 3. Because the repair of the IHNC lock is a Division priority, the relocation of other District equipment, if deemed to be the most expeditious method to accomplish repairs, would be the recommended plan of action. The replacement of gates may not require a dewatering, however, would require a total lock closure until repairs are complete estimated at a minimum of 30 days.

   Acquisition plan: Because of the poor condition of the existing gates and the vulnerability to a major failure, the replacement of the gates is the 2nd highest priority for acquisition. The river end and canal end gates would be replaced (1 & 2, 7 & 8) and a spare would be acquired. The acquisition of two new sets of gates and spare gates at an estimated cost of $8,060,000 will be procured in FY 2010 if funds permit.

2. Hinge failure
   a. Upper Hinge Failure:

      Contingency plan: The contingency plan due to a vessel collision or other failure resulting in the failure of the upper hinge turnbuckle and/or strut arm would be to replace damaged parts with refurbished spare parts. If damage is so severe that the surrounding concrete has been destroyed, the concrete seat would have to be chipped out and replaced. Two spare turnbuckles and 4 strut arms are available on the

shelf for repairs. The turnbuckles or strut arms would be installed with the assistance of hired labor and MVN marine crane units, however, if all of the units were located west of the lock during the time of the failure, the equipment would not have access to the lock chamber. If the New Orleans District equipment could not access the lock, the MVD resources and contractors listed in Tables 2 and 3 would be contacted. The repairs would not require a dewatering, however, if concrete damage occurred, a partial dewatering may be required. The repairs for the upper hinge failure with resulting concrete failure would require a total lock closure with the estimated time for repairs at 30 days.

Acquisition plan: The acquisition of an additional pair of turnbuckles are required. The acquisition cost of the turnbuckles and pintles is approximately $50,000 and will be acquired in FY 2009 if funding permits.

b. Lower Hinge Failure:

Contingency plan: The contingency plan due to a lower hinge failure is to use spare parts from the pintles on other gates for repairs. A dewatering would be required to replace the pintle. The replacement of the pintle would require the same equipment as that of the upper hinge and the same issues of acquiring marine equipment would have to be resolved. A dewatering of the lock would be required for the replacement of the pintle. The estimated time for repair of this type of failure is a minimum of 30 days.

Acquisition plan: The acquisition cost of an additional pintle is included in the price for the “Upper Hinge Failure” item above and would occur at the same time as the acquisition of turnbuckles in FY 2009.

3. Gate Machinery Failure:

Contingency plan: If the gate machinery failed, the contingency plan would be to utilize machinery parts from gates 5 & 6 and 9 & 10. This item is considered to be the most critical due to the obsolescence of the existing motors and the difficulties of identifying companies that can fabricate parts for the motors. In addition, once parts from gates 5 & 6 and 9 & 10 are utilized for repairs, no spare parts will be left. Dewatering of the lock would not be required, however, a total lock closure would be required for a minimum of 2 weeks.

Acquisition plan: The acquisition plan is to procure hydraulic machinery for gates 1 & 2 and 7 &8 at an estimated cost of $2.5 M. This is the highest priority item with an estimated procurement date of FY 2009.

4. Valve Failure

   Contingency plan: If a valve fails, the lock will continue to operate, but will pass vessels in twice the time of the normal operation. This would result in unacceptable delays to navigation. In order to repair valves, the lock would have to be dewatered for a minimum of 30 days. Since the lock would still be operating after a valve failure, the dewatering could be planned with ample notice provided to navigation. The scheduling of the dewatering would have to be based on navigation industry needs and river levels as approved by MVN Engineering Division. Valves, cylinders, and hydraulic units were refurbished in 2008. In addition, the hydraulic units were elevated following flooding from Hurricane Gustav.

   Acquisition plan: No additional spare parts would be required.

5. Valve Machinery Failure

   Contingency plan: If the valve machinery fails, as with a valve failure, the lock would continue to operate at twice the time of normal operation. The contingency plan for the case of valve machinery is replacing the cylinder with a spare. The machinery is above water and would not require a dewatering. The down time for the lock would be minimal.

   Acquisition of valve machinery: One pump and one pump motor should be on hand in the case of valve machinery failure. The estimated cost for the spare parts is $50,000.

6. Electrical Failure

   Contingency plan: If the electrical system failed, an emergency generator is available as a backup to the system. The generator was elevated after Hurricane Katrina and is operable and exercised weekly. However, if the emergency generator failed, a 400KW generator would have to be rented. There are several vendors that would have this type of generator on hand. A list of vendors is listed below. Other items such as cables and connectors should be acquired.

   Acquisition plan: The estimated cost for cables and connectors is $5,000 and will be acquired in FY 2009 if funding permits.

Generator Rental Companies:
Aggreko Inc
180 W. 3rd Street
Kenner, LA 70062
877-349-2742

Louisiana Rents - The Cat Rental Store
38294 Highway 30
Gonzales, Louisiana 70737-8069
225-644-3466
800-685-4228

Cummins Mid-South, LLC.
110 E Airline Highway
Kenner (New Orleans) LA 70062
POC: Dennis Morrison
901-409-8777

7. Chamber Failure Due to Fire/Explosion

   Contingency plan: If a severe explosion occurred resulting in chamber damage below the water line, the lock would have to be dewatered and the concrete chamber would have to be patched or formed. The estimated time for repairs for a major concrete failure would be a minimum of 30 days. Also, possible repair delays may occur depending on the level of the Mississippi River. The elevation of the river must be at 8' and falling at the lock prior to dewatering. However, Engineering Division would evaluate water levels and possibly approve a higher river elevation.

   Acquisition plan: No parts would be required to be on hand for chamber failure.

8. Guide Wall Failure

   The river-end guide wall is severely damaged due to numerous vessel allisions with the guide wall. Continued vessel impacts with the guide wall will cause a total failure. The failure of the guide wall will impede tows from properly aligning with the lock chamber and will increase the risk to the miter gates.

   Acquisition plan: The estimated cost for a floating guide wall is $12,000,000 and will be acquired in FY 2011 if funding permits.

9. Maintenance Dewatering

Contingency plan: The lock should be dewatered and major maintenance performed no less than every 10 years due to the age of the lock.

Acquisition plan: No parts would be required assuming that all spare parts described above are procured. The cost for the dewatering inclusive of hired labor costs would be approximately $4M.

Table 1.

IHNC LOCK CONTINGENCY SPARE PARTS ACQUISITION			
	Priority	**Est. Cost**	
			Acquisition year
Hyd. Gate Operating Machinery Design & Procurement	**1**	**$2,500,000**	**2009**
New gates (1 & 2, 7 & 8 and spare set)	**2**	**$8,060,000**	**2010**
Guide Walls	**3**	**$12,000,000**	**2011**
Turnbuckles & Pintles	**4**	**$50,000**	**2009**
Valve Cylinders, pump, motor	**5**	**$50,000**	**2010**

Table 2.

EMERGENCY CONTRACT CONTACTS			
SALVORS	Contact	Home Base	
Bisso Marine		***New Orleans and Houston***	
504-866-6341	Office		
504-908-6523	Beau cell		
504-908-6521	Cappy cell		
504-908-6527	Peter cell		
504-865-8132	fax		
McKinney Salvage		***Baton Rouge***	
225-388-9846	Office		
225-268-5650	Steve cell		
225-335-1956	Warren cell		
225-343-9603	fax		
Coral Marine		***Morgan City***	
985-223-4712	Office		
985-397-2788	Joe Cane cell		
985-631-3904	fax		
International Boat Rental & Salvage		***28-Jun-05***	
985-798-7066	Office		
985-696-3304	Kelly Steele cell		
985-860-2938	Chuck Patterson cell		
985-798-7619	fax		
DonJon Marine Co.		***New Jersey***	
908-353-2600 (John Witte)	Office, Hillside, NJ		
The Marine Design Center			
215-656-6850 (Bill Gretzmacher)	Office		
856-582-0135	Home		
215-847-4023	Cell		
Resolve Marine (contracted with USCG) Bob Travis 757-561-9167			
	Office		
	Home		
	Cell		
Navy SupSalv			
Mike Herb			
202-781-2736	Office		
202-391-3411	Cell		

Table 3. Mississippi Valley Division Equipment Support

District	POC	Contact Info	Equipment, Size, Capacity
New Orleans	Don Constantine	504-862-2253	120x42' barge w/Manitowoc 3900 Vicon. 100' boom less than 40ton max.
	Lynn Tinto (Alternate)	504-862-2752 504-451-7134	120x42' barge w/Manitowoc 3900 Vicon. 120' boom less than 40ton max. 150x50' barge w/Manitowoc 3900W 130' boom, 40 ton max. MV KENT tug 1800 hsp MV BIENVILLE 680 hsp Three workboat tugs, the M50, M60, and M70. Each is 25' long w/300 hsp.
	Carl Robinson	504-862-2352	54 ft wide derrick barge, BROWNLEE. 125 Tons Maximum at 90 Foot Boom and 85 Tons Maximum at 130 Foot Boom
Vicksburg	Jimmy Coldiron	601-631-5792	2 Pushboat/Towboats 1 Inspection Barge w/Tow 2 Fuel barges 4 Deck barges 1 ea, Anchor and Ramp barge 3 Quarterboats 1 Utility Barge 8 Mat Barge 1 Incinerator Barge 1 Personnel Barge 2 Crane barges (125 ton)
Memphis	Richard Sullivan	901-544-0975	1 Pushboats/Towboats 5 Workboats 2 Fuel Barge 20 Deckbarge 3 Floating Plants w/Cranes (40 ton and less) 3 Crane Barge (125 ton)

District	POC	Contact Info	Equipment, Size, Capacity
St. Louis	Michael Thompson	314-865-6335	MV DREDGE POTTER 240' x 46', 2400hp, Dustpan, 32" Discharge MV PATHFINDER, 1340hp, 75' x 30' MV GRAND TOWER, 1100hp, 65' x 24' MV KIMMSWICK, 600hp, 47' x 16' MV PRAIRIE DU ROCHER, 880hp, 51' x 19' MV BARRON, 70hp, 36' x 13' Crane Barge SEWELL, 125ton, 195' x 54' Crane Barge FISHER, Manitowoc 222, 150' x 46' Crane Barge DERRICK #6, 30ton, 70' x 35'
St. Paul	Greg Frankosky	651-290-5582	3 Push and/or Tugboats
	Bryan Peterson	608-687-8526 x3	2 Workboats 16 Deck barges 4 Material barges 2 Dump barges 2 - Floating Plants w/cranes 100 - 140 tons
Rock Island	Rick Granados	309-794-5040	4 Push and/or Tugboats
Illinois River Division	Mike Cox	309-676-4601, x210	7 Deck barges 3 Material barges Floating Plants w/Cranes (40 ton and less) Crane Barge (125 ton) The Sewell The Hercules - 300+ tons
Mississippi River Division	Bill Gretten	309-794-4512	6 Push and/or Tugboats 25 Deck barges 2 Crane Barge w/Manitowoc 3900 1 Crane Barge w/418 Linkbelt The Quad Cities - 300+ tons
Mobile	James Curry	205-752-3571	Flt. Crane CHOCTAWHATCHEE, 165' x 50' barge w/SeaTrax crane, 120' boom, 60 tons capacity @ 55' radius (full rotating)
	Ricky Saucer	662-327-2142	M/V LAWSON, towboat 2010 hp, paired with CHOCTAWHATCHEE
	Carl Dyess	251-690-3319	Flt. Crane R. W. DAVIS, 165' x 55' barge w/Manitowoc 4600, 120' boom, 45 tons capacity @ 45' radius (full rotating)
	Stephen Beams	251-694-4217	M/V TENN-TOM, towboat 2520 hp, paired with R. W. DAVIS

5. Communication Plan

1. Team Function

The IHNC Lock Contingency Team will be chaired by the Operations Manager of the GIWW - New Orleans District. Following the physical closure of the MRGO, the team will convene at least once annually to review the need for revisions or changes to the IHNC Lock Contingency Plan. The objective of this team is to continuously improve the communication and response to planned and unplanned closures of the IHNC lock in order to assure that navigation interests are notified of any closures in order to minimize any impacts to navigation customers. The Communications Plan will be captured in a Memorandum of Understanding (MOU) with the Corps, Coast Guard, GICA, AWO, and GSMA to assure the continuation of the plan in the future.

2. USCG / USACE / GICA / AWO / GSMA Response Roles

- **US Army Corps of Engineers**

Leads the IHNC Lock Restoration Conference Calls. Is responsible for assessing the lock conditions and reports on repair progress. Advises Coast Guard on status of lock. Coordinates operations of lock structures and communicates schedule for planned maintenance at a minimum of 6 months prior to event. Initiates conference calls and email distribution.

- **US Coast Guard**

Communicates Marine Safety Bulletins and Broadcasts to Mariners. Coordinates with the IHNC Lock Contingency Team on initiating alternate route plan. Coordinates aids to navigation for alternate route.

- **GICA/AWO/GSMA**

Serves as the point of contact for information flow to respective members, both to and from the inland navigation industry. Provides assets, services, material, and supplies as requested and available, to expedite waterway restoration efforts. Responsible for outreach to maritime stakeholders as soon as closure information is received including continuous updates.

3. Communications

- **Planned Closures**

In the case of a planned closure of the IHNC Lock, the GIWW Operations Manager will initiate the IHNC Lock Contingency Team conference calls. The GIWW Operations Manager will send out a notice to the IHNC Lock Contingency Team a minimum of 6 months prior to the planned closure including closure information and conference call schedule.

Starting a minimum of six months out, a monthly conference call will be instituted for the purpose of preparing for the closure. The IHNC Lock Contingency Team will determine the frequency of calls required during the lock repair period. The IHNC Lock Contingency Team Conference Call will be led by the Corps of Engineers GIWW Operations Manager and participants will include all members of the IHNC Lock Contingency Team. Note that the structure and content of these calls is at the discretion of the Corps of Engineers District. The GIWW Operations Manager will also send out routine updates on the status of repairs to the team.

- **Emergency Closures**

Upon notification of an emergency closure of the IHNC Lock, the GIWW Operations manager will immediately notify the following by telephone:

- The District Commander
- The New Orleans District Chief of Operations Division
- GICA President
- AWO Regional Director
- GSMA President

Following verbal notification of representatives above, the GIWW Operations Manager will notify by email all members of the IHNC Lock Contingency Team.

- **Status Communications**

Following the initial notification of the emergency closure of the IHNC Lock, the Operations Manager will send an email to the IHNC Lock Contingency Team initiating the IHNC Lock Contingency Team conference calls. The GIWW Operations Manager will also send out routine updates on the status of repairs to the team. At a minimum, the Operations Manager will initially conduct daily conference calls with the IHNC Lock Contingency Team. The frequency of the calls will be determined by the IHNC Lock Contingency Team following the immediate assessment of the Lock conditions.

4. Test Conference Call

In addition to the conference calls for planned events, an annual conference call will be initiated by the GIWW Operations Manager to review the IHNC Lock Contingency Plan and update the contact list.

5. IHNC Lock Contingency Team Members

NAME	ORGANIZATION	TELEPHONE NUMBER	EMAIL
Accardo, Chris	UASCE - OD	504-862-1417	
Balrour, Sharon J.	LA-DOTD	225-274-4350	sbalfour@dotd.la.gov
Broussard, Rick	USACE - ED - L (Civil Branch)	504-862-2402	
Brown, Jane	CEMVN-OD-G	504-862-1297	jane.L.brown@usace.army.mil
Buecola, Mike	Crescent Pilots	504-392-8001	mikeb@crescentpilots.com
Butler, Raymond	GICA	713-882-9750	wrbutler@comcast.net
Carlson, Kathryn	LA-DOTD	225-274-4142	klcarlson@dotd.la.gov
Corbino, Jeff	USACE-MVN-OD-T	504-862-1958	
Crecy, Stacey	USCG	504-565-5109	stacey.L.crecy@uscg.mil
Daigle, Michelle	USACE - OD - T	504-862-2731	
Deloach, Z. David	Deloach Marine / Ingram Barse	225-336-9933	
Duffy, Chris	NSA	504-469-0731	
Duffy, George	NSA Agencies Inc	504-469-0731	gduffy@
Duffy, Sean	GSMA / MNSA	504-833-4190	sduffy@gsma.us
Duplantle, Bobby	USACE PM-W	504-862-1037	bobby.duplantle@usace.army.mil
Elmer, Ronald	USACE-HPO	504-862-2618	
Entwisle, Richard	CEMVN-OD-G	504-862-1377	richard.c.entwisle@
Felder, Cherrie	LMRWSAC (Channel s/y)	504-371-5964	cdfelder@channelship.com
Flynn, Edward	Louisiana Chemical Association	225-376-7644	
Gautreaux, Jimmy	USACE-OPS	504-862-2355	jim.h.gautreaux@usace.army.mil
Gibbs, A.J.	Crescent Pilots	504-392-5017	cres46@crescentpilots.com
Jennings, Heather	USACE	504-862-1253	
Gonzales, Karl	Greater N.O. Barge	504-737-6993	karl@gulfsouthmarine.com
Kiefer, Jeff	OD-M	504-862-2322	
Landry, Paul	OD-C	504-862-1922	
Landry, Vic	USACE - OD-H	504-862-2407	victor.a.landry@usace.army.mil
Lim, Tonya	USCG	504-565-5108	
Lorino, Mike	Bar Pilots	504-831-6608	
Madden, Ronald	Pine Bluff Sand & Gravel Co.	225-922-7861	ronald.madden@pbsgc.com
Marchal, Billy	FPA / Horizon Initiative	504-756-7830	awmarchal@cox.net
McCartney	Government		
McDaniel, J.	Kirby Inland Marine	225-201-3006	
McKinzie, Richard	USACE - OD - HI	504-945-2157	
Miller, Gregory	USACE PRO	504-862-2310	gregory.b.miller@usace.army.mil
Miller, Katie	OD-M	504-862-2336	
Minton, Angie	MVN - PMOR	504-862-2661	

NAME	ORGANIZATION	TELEPHONE NUMBER	EMAIL
Morgan, Robert	USACE	504-862-2320	
Mujica, Joaquin	USACE CEMVN-OD-Y	504-862-2245	joaquin.mujica@usace.army.mil
Murphy, Jim	MARAD	504-589-2000	james.murphy@dot.gov
Murphy, Spencer	Canal Barge Co.	504-584-1542	smurphy@canalbarge.com
Ngo, Anh	OD-H	504-862-2153	
O'Cain, Keith	USACE - ED (Civil Branch)	504-862-2746	
Olivero, Jeffery	USACE - OD	504-862-2362	jeffery.olivero@usace.army.mil
O'Loughlin, Dave	Ingram Barge Co.	615-298-8268	
Owen, Gib	USACE Environmental	504-862-1337	
Poindexter, Larry	USACE PM-W	504-862-2937	larry.poindexter@usace.army.mil
Rabuluis, Pierre	OXYClew	225-562-9210	
Redd, Edmund	Vulcan Materials Co.	504-464-7625	redde@vmcmail.com
Rothstein, Arnie	Ingram Barge Co.	985-479-7235	arnie.rothstein@ingrambarge.com
Sanborn, Tom	USCG	504-565-5103	tom.a.sanborn@uscg.mil
Savoie, Alan	GWOBFA	504-415-4191	alan.savoie@coopertsmith.com
Schaffer, Susan	USDOT/Maritime Ap	504-589-2000-228	
Serio, Robbie	OD-M	504-862-2541	
Shelby, Rick	Vulcan Materials Co.	504-464-7625	shelbyr@vmcmail.com
Smith, Jay	Mississippi River	504-512-3481	jsmith@
Songy, Randy	Port of New Orleans		SONGYR@portno.com
Towns, Chris	E-G IHNC	504-862-2169	
Wertz, Alice	PM-P	504-862-2919	alice.c.wertz@
Wiseman, Addie	AWO	281-540-5004	awiseman@vesselalliance.com

6. Summary

The GIWW plays a critical role in the navigation infrastructure of the United States due to the immediate impact to the public if commodity transport is halted. The closure of the MRGO will eliminate the alternate route around the IHNC lock, an aging lock on the GIWW, if there is lock closure. Several alternate routes were considered after the WRDA 2007 MRGO de-authorization, however, there is no authorized waterway that can be used in order to resume the flow of east/west navigation in the GIWW. In order to expedite the restoration of navigation following a prolonged closure of the IHNC lock, the contingency plan is to immediately mobilize appropriate equipment to the lock and repair the lock with acquired spare parts. The possible failures that could occur at the lock are identified in this report along with contingency plans for each possible failure. In addition, a spare parts acquisition plan as well as equipment and contractor sources are documented in this report. The timely acquisition of the spare parts as scheduled in the report will be dependent on adequate funds received for each respective fiscal year.

Another vital tool in order to facilitate the efficient flow of marine traffic across the GIWW in the case of a prolonged closure at the IHNC lock is to follow a well defined communication plan. The communication plan included in this report identifies a Standard Operating Procedure for both planned closures and emergency closures which will assure the timely dissemination of information required to aid the navigation industry in the decision process of commodity transport on the waterway. The report identifies key navigation representatives and contact information. This information will be updated annually. A Memorandum of Understanding will be developed as a result of this report to assure the continuation of the communications in the future as key members change positions.

Also included in this report are the results of stakeholder coordination. Stakeholders suggested several alternate routes as possible options to restore navigation in the case of a closure at the IHNC lock. The alternate routes identified in this report are not authorized waterways, but could be evaluated in the future under an authorized study.

The crucial role that the GIWW at the IHNC lock provides to the nation has been expressed by navigation stakeholders including several industries dependent on the GIWW for the transport of commodities. Letters from several impacted companies regarding impacts due to the prolonged closure of the IHNC lock are included in this report.

While there is no authorized alternate route that could be used to restore navigation in the GIWW following a closure of the IHNC lock, an open line of communication is a key component in facilitating navigation.

7. Appendix 1 – Stakeholder Coordination

The decision to close the MRGO under WRDA 2007 raised concerns in the navigation community regarding the reliability of the IHNC Lock and the need to identify a new alternate route that would support GIWW navigation during an extended lock closure.

The following options were identified as potential alternative routes around the IHNC-GIWW-MRGO system in the November 2007 Integrated Final Report to Congress and Legislative Environmental Impact Statement for the Mississippi River – Gulf Outlet Deep-Draft De-authorization Study:

1. Mississippi River to Baptiste Collette Bayou and into Breton Sound and Chandeleur Sound and up to Mississippi Sound to rejoin the GIWW.
2. Mississippi River north to the Ohio and Tennessee Rivers to eventually join the Tennessee-Tombigbee Waterway and south into Mobile Bay to rejoin the GIWW.
3. Mississippi River to Baptiste Collette Bayou and into Breton Sound and north up to the back retainer canal on the south side of the MRGO spoil area and up to Bayou La Loutre at Hopedale to enter the MRGO and travel up to rejoin the GIWW in the vicinity of Michoud.
4. Mississippi River to Baptiste Collette Bayou and into Breton Sound and north up to the mouth of Bayou La Loutre in Bay Eloi and then through Bayou La Loutre to enter the MRGO and travel up to rejoin the GIWW in the vicinity of Michoud.
5. Emergency removal of a portion of the rock total closure structure in the event of prolonged delays or inoperability of the IHNC Lock if authorization and funding are available.

The Corps of Engineers conducted a series of meetings with representation from Federal and state agencies and navigation interests between April and July 2008 in order to identify possible alternatives for navigation restoration following an extended closure at the IHNC lock. As a result of these meetings, the following alternatives were identified:

1. Expedite the Construction of the New IHNC Lock

   The construction of the new IHNC lock is critical to assure safe reliable navigation in the GIWW. Some navigation interests suggested advancing efforts to expedite the construction of the new IHNC deep draft lock. The importance of expediting the construction of the lock has increased due to the closure of the MRGO.

2. Repair the Lock as Soon as Possible

The expedited repair of the IHNC lock in the case of an emergency closure is the principal part of any plan to resume navigation on the GIWW. An aggressive plan to circumvent prolonged closures of the lock due to equipment failure has been implemented and the procurement of critical spare parts is currently underway. In addition, the highly trained Corps hired labor units are on alert to mobilize immediately on site in the case of an emergency closure at the IHNC lock. The possible lock failures, response plans, and spare parts acquisition plans are discussed under the section entitled "IHNC Lock Contingency Plan."

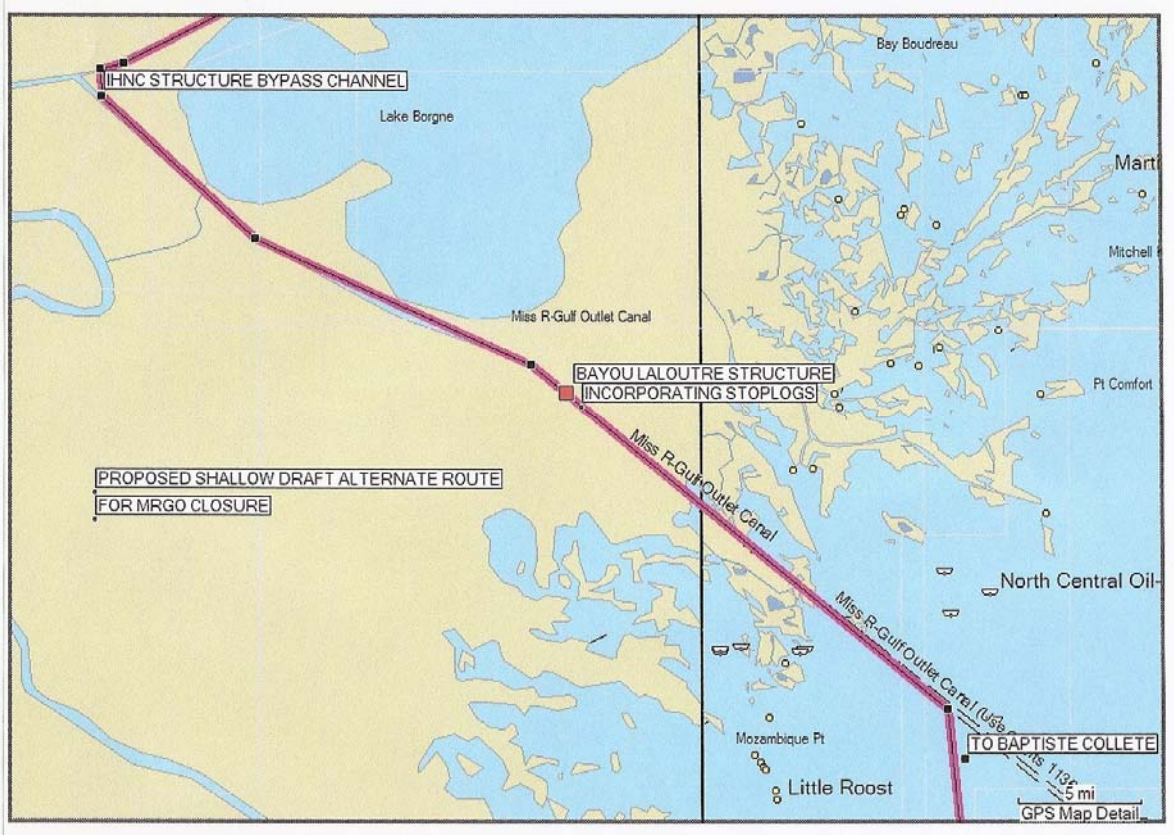
3. MRGO Alternative

Although the MRGO has been de-authorized, some navigation stakeholders inquired whether the channel could possibly serve as an alternate route to restoring navigation if there was a catastrophic failure at IHNC lock. Given the current status of the channel, it is infeasible to utilize the channel as an alternate route. The MRGO will soon have physical closures that will suspend navigation. A rock dike at Bayou LaLoutre which will be constructed to close navigation across the waterway will be turned over to the State following construction. In addition, a hurricane protection structure in the vicinity of Bayou Bienvenue will close the MRGO at approximately mile 55, and will also be turned over to the state following construction. The hurricane protection structure will have a construction access channel adjacent to it which will bridge between the GIWW and MRGO, however, the channel will not be constructed for navigation. Several options were identified to address the MRGO closure at Bayou LaLoutre and are listed as follows:

- Incorporate stoplogs into LaLoutre structure
- Gated structure at LaLoutre
- Permanent notch in LaLoutre structure
- Incorporate inflatable barrier into Laloutre structure
- Mine an emergency navigation notch in rock dike
- No closure at LaLoutre

Figure 2 illustrates a possible alternative route plan, although various options were considered at the Bayou LaLoutre structure.

Figure 2



The Corps of Engineers lacks authority to alter both the Congressionally authorized closure at Bayou LaLoutre and altering of the construction access channel at the GIWW/MRGO hurricane protection structure. The ASA(CW) transmitted the MRGO Deep Draft De-authorization Report to Congress on 5 June 2008. Per WRDA 2007, the MRGO channel from the GIWW to the Gulf of Mexico was de-authorized. In the event that shoaling occurred within this reach of the proposed alternate route, there would be no authority to dredge. In addition, there is no authority for any modifications to the Congressionally authorized rock structure at Bayou LaLoutre and any modifications to closures and approach turns on the GIWW/MRGO hurricane protection access channel for navigation. In the event of an emergency closure of the IHNC Lock which triggered or was a component of an national emergency or major disaster, other agencies such as DHS and FEMA may have the authority to accomplish this work.

4. No Route Alternative

Other alternatives to restoring navigation in the GIWW are possible including the transport of cargo by a land-based system using either rail or trucks. Another alternative method of transporting cargo would be to transport barges on a deep draft ship for navigation in the Gulf of Mexico to Gulfport Harbor. Although costs for this alternative may be prohibitive, it may be a viable option if issues from other alternatives cannot be resolved.

5. Other Alternatives

A list of alternatives that are currently not authorized is listed in the table below.

Table 1. Alternatives to Restore GIWW Navigation During Prolonged IHNC Lock Closure– No Authorities
1. Baptiste Collette to MRGO – hurricane protection structure access channel and stoplogs at closure at Bayou LaLoutre.
2. Baptiste Collette to MRGO – hurricane protection structure access channel and gate at closure at Bayou LaLoutre.
3. Baptist Collette to MRGO – hurricane protection structure access channel and inflatable barrier at Bayou LaLoutre.
4. Baptiste Collette to MRGO – hurricane protection structure access channel and emergency notch at Bayou LaLoutre structure.
5. Baptiste Collette to MRGO – hurricane protection structure access channel and permanently notched closure at Bayou LaLoutre.
6. No alternate route – use other transport modes
7. No alternate route – respond as quickly as possible
8. Divert traffic to Tennessee Tombigbee
9. Expedite the construction of new IHNC Lock
10. Build lock at Violet Canal
11. Build lock at English Turn
12. Keep MRGO open for shallow draft
13. Alternate Route via Baptiste Collette thru Breton and Chandelier Sounds

Appendix 2 – Stakeholders Letters

Shell Oil,
INEOS Phenol (via Port of Mobile),
Murphy Oil,
Huntsman/Kinder Morgan,
Solutia Chemical,
Mobile Abrasives,
Rhodia Chemical,
Occidental Chemical,
New Orleans Cold Storage,
Southern Companies,
Southern Recycling,
Port of New Orleans,
ThyssenKrupp Steel, USA.
U.S. Senators Cochran, Wicker, Shelby & Martinez

1. Shell Oil

Shell Chemical LP

Shell Trading

Shell Chemical LP
One Shell Plaza
910 Louisiana
Houston, Texas 77002

Shell Trading
Two Houston Center
909 Fannin
Houston, TX 77010

September 4, 2007

U.S. Army Corps of Engineers
New Orleans District
Attn: Sean P. Mickal
7400 Leake Avenue
New Orleans, LA 70118

Dear Sirs,

We are writing on behalf of Shell Trading (US) Company (STUSCO) and Shell Chemical LP (SCLP), which are affiliated entities of Shell Oil Company, the US affiliate of Royal Dutch Shell plc, to respond to the Army Corps of Engineers' request for public comment pertaining to the proposed de-authorization of the Mississippi River Gulf Outlet (MRGO), as laid out in the Draft Integrated Final Report to Congress and Legislative Environmental Impact Statement of June 2007.

Background

Shell has extensive operations in the United States. Its organizations explore, develop, produce, purchase, transport, and market crude oil and natural gas. They also purchase, manufacture, transport and market oil, motor fuel and chemical products and provide technical and business services.

Shell companies and affiliates ship approximately 4.5 to 5 million tons of oil products through the Inner Harbor Navigation Canal (IHNC) Lock at New Orleans annually. This equates to more than 1500 barges transiting the locks in east and west direction, both laden and empty.

STUSCO is a corporation that acts as the single market interface for Royal Dutch Shell companies and affiliates in the United States. Through its operations, STUSCO buys and sells more than 5 million barrels of hydrocarbons per day in physical markets, making it one of the largest petroleum supply organizations in the United States

SCLP manufactures a variety of bulk chemical products, such as olefins, aromatics, solvents, ethylene oxide/glycols and others. In addition, the company also manufactures a variety of oil products that are associated with the production of olefin feed. Manufacturing facilities are operated, in part, in Texas, Louisiana, and Alabama. These rely heavily upon the U.S. Gulf Coast Intracoastal Waterway (GIWW).

1. 2. INEOS Phenol (via Port of Mobile)

From: Judith Adams [mailto:JAdams@asdd.com]
Sent: Thursday, April 03, 2008 9:44 AM
To: Jimmy Lyons; wrbutler@comcast.net; Tim Parker; Charlie Haun
Cc: Steve Perry - Forum
Subject: RE: IHNC Contingency Work Group / Input Needed on Economic Impacts of Stopping Barges for 7 Days

Raymond: To put it into numbers, INEOS barges inbound and outbound product. Cumene – roughly 625,000 to 650,000 tons annually is brought into their facility for the production of phenol. The mostly pull domestic stock from Texas. However, they also import cumene. By far, most of their traffic is barged.

Acetone – a byproduct of the phenol production process, which is distributed via barge domestically, mostly to Houston, Baton Rouge and some to Memphis. Phenol also moves out mostly by barge, but they also export. Phenol goes everywhere. INEOS distributes roughly 500,000 tons of acetone/phenol annually. Acetone would be a small percentage of those volumes.

Judy

Judith Adams

Alabama State Port Authority

251-441-7003

jadams@asdd.com

2. Murphy Oil

Murphy Oil Comments on MRGO Closure
April 2008

Mr. Butler,
Murphy is also concerned about the potential closure of the MRGO and the impact of a prolonged outage of the Inner Harbor Lock in New Orleans. Murphy currently supplies our Sheffield, AL and Freeport, FL marine terminals through the eastern Intracoastal Waterway. Current transportation requirements are approximately 315,000 barrels or 42,000 tons per month. Our Freeport terminal is one of the few terminals in the Florida panhandle and is an integral source of supply during times of emergency in that area.

Ken Williams
Manager, Products Trading and Terminal Operations
Murphy Oil USA, Inc
200 Peach Street
El Dorado, AR
870-864-6429

3. Huntsman/Kinder Morgan

From: Mike T Meroney [mailto:mike_meroney@huntsman.com]
Sent: Friday, April 18, 2008 2:44 PM
To: Raymond Butler
Cc: Fred L van Steen
Subject: Re: BARGES WILL STOP MOVING EAST/WEST AT NEW ORLEANS.....Your feedback by April 30 could change it!

Raymond, on behalf of Huntsman, I want to affirm the importance of IHNC, and an alternate route. The Huntsman Corporation depends on the transportation 1.4 million barrels of butane through the IHNC Lock each year, which is a critical raw material for the continued operation of our Maleic Anhydride business near Pensacola, Florida. Should the IHNC Lock fail, our business could be severely impacted. Thanks for your continued work, and please let us know if we can do anything else to help the cause.
- Mike

Mike Meroney
Huntsman Corporation
(512) 499-8880 - office
(512) 589-2531 - cellular
(512) 499-3980 - fax
mike_meroney@huntsman.com
1402 Nueces Street
Austin, Texas 78701

4. Solutia Chemical

From: Lavoie, Lawrence E [mailto:lelavo@solutia.com]
Sent: Thursday, April 17, 2008 11:10 AM
To: Raymond Butler
Subject: Sorry so late

Larry Lavoie

Solutia's manufacturing facilities located in Texas (Chocolate Bayou), Alabama (Decatur) and Florida (Pensacola) are all highly dependent on the IHNC for shallow-draft barge transportation between the plants and to and from vendors. Solutia's shipments move through the IHNC approximately 25 days during each month at estimated annual costs in excess of $20 million. The MRGO is the only economically viable route for Solutia's barge traffic when the IHNC is unavailable. Current alternative routes involve moving barges up the Mississippi River and down the Tennessee River, resulting in as much as a 14 day increase in transportation time plus significantly increased transportation costs. If a 14 day delay occurs without adequate warning, the plants would be at risk of shut down due to lack of raw materials.

5. Mobile Abrasives

April 28, 2008

U.S. Army Corps of Engineers
New Orleans District
Attn: Sean P. Mickal et.al.
7400 Leake Avenue
New Orleans, LA 70118

Dear Sirs:

I am writing on behalf of Mobile Abrasives, Inc. to respond to the Army Corps of Engineers' request for public comment pertaining to the proposed de-authorization of the Mississippi River Gulf Outlet (MRGO), as laid out in the Draft Integrated Final Report to Congress and Legislative Environmental Impact Statement of June 2007.

I wish to write in general terms for simplicity sake but can speak more specifically if requested. We receive about four shallow draft barges a month of coal slag from Missouri down the Mississippi River through the Inner Harbor Navigation Canal (IHNC) lock in New Orleans to our sole plant in Mobile, Alabama. We process this coal slag for use as a sandblasting abrasive and supply nearly 100% of the Southeast market. Our product can also be used in roofing shingles for which demand we have seen skyrocket after hurricanes.

I understand the IHNC to be one of the oldest locks in the U.S. that is 35 years beyond its useful life. At present, this lock fails on occasion, but is especially at risk during hurricanes. Other alternate routes proposed by the Corps appear to be too cost prohibitive to us or expose our "inland" barges to open water. Without our product, the ship repair industry, many sandblasting companies, and roofing companies would suffer tremendously since we are, for practical purposes, the sole supplier of this product in the Southeast (our competitor does not have the capacity to supply the demands of the market); bear in mind other products for use in sandblasting are either too expensive or carry health risks.

Because of constant threat of hurricanes in the Southeast, I am requesting the MRGO to be kept open until the IHNC is made more reliable or replaced or until a new, practical alternate bypass route not involving the MRGO is established. I am aware of other industries in our area that are also highly dependent upon reliable barge traffic through New Orleans and am sure they would make the same request.

I thank you for your consideration of my input and welcome further discussion. If I can be of further assistance, feel free to contact me at (251) 694-0024, ext. 3.

Sincerely,

Ed Serda
President

6. Rhodia Chemical

From: Yackel, Roger [mailto:Roger.Yackel@us.rhodia.com]
Sent: Wednesday, April 16, 2008 9:05 AM
To: Raymond Butler
Subject: RE: MRGO Contingency

Raymond:
I got some edits from the business manager. Would you please use this one?
Thanks, Roger

A seven-day outage of the Inner Harbor Navigation Lock could have a large effect on both Rhodia and the refinery we service in Pascagoula. First, the effect could be several million dollars in sales between the two of us. Second and more important could be the ripple effect on gasoline prices in the eastern U.S. with 10% of its supply interrupted. We have seen that disruptions in gasoline supply, especially during gasoline season (April - September) , can significantly impact gas prices for consumers .

7. Occidental Chemical

OxyChem

Gulf Intracoastal Canal Association
Attn: Mr. Raymond Butler
2806 Butler Drive
Friendswood, Tx 77546

April 26, 2008

Dear Sir:

I am writing on behalf of Occidental Chemical Corporation ("OxyChem") regarding the U.S. Army Corps of Engineers directive to close the Mississippi River Gulf Outlet ("MRGO"). Of particular concern are the issues of maintenance and repair or replacement of the Inner Harbor Navigation Canal ("IHNC") Lock and alternative routes for east and west bound marine traffic on U.S. Gulf Coast Intracoastal Waterway during any outages of the IHNC Lock.

OxyChem is the nation's largest merchant marketer of chlorine and caustic soda with plants throughout the Gulf Coast. By conservative estimate, OxyChem annually ships almost 400 barges through the IHNC Lock which equates to over a half-million tons of basic building block chemicals necessary to make a wide range of products. OxyChem owns and operates a chlor-alkali plant in Mobile, Alabama that is highly dependant on consistent and timely marine shipments through the IHNC Lock. Additionally OxyChem supplies various chemical products which originate north and west of New Orleans to customers east of the IHNC Lock by barge.

OxyChem does not oppose the U. S. Army Corps of Engineers' proposal to close the MRGO to deep draft traffic, or even to regular shallow draft traffic. However, OxyChem strongly supports the Gulf Intracoastal Canal Association position that the MRGO should not be de-authorized to emergency shallow draft navigation until such time as the IHNC Lock is repaired or replaced, or a practical alternative bypass route not involving the MRGO is established.

We appreciate the efforts of the Gulf Intracoastal Canal Association to date.

Best Regards,

Patrick Davis
Marine Manager
Occidental Chemical Corporation
972-404-2331
patrick_davis@oxy.com

Occidental Chemical Corporation
Corporate Office
See Section Cover
5005 LBJ Freeway, Dallas, TX 75244-6119
P.O. Box 809050, Dallas, TX 75380-9050
972-404-3800

8. New Orleans Cold Storage

New Orleans Cold Storage
Impact Statement on IHNC Lock
April 2008

Sean,
The financial impact on New Orleans Cold Storage if the locks fail is as follows:
If a vessel has not yet arrived where we have to work the vessel on the river, $15 per net metric ton, this includes the transportation of cargo , added warehouse cost and added stevedoring cost.

If the locks fail and a vessel is berth at Jourdan Rd, depending on the length of the closure the following could occur:
If short term – we complete loading of vessel and if upon completion the vessel still cannot sail then we would have the demurrage on the vessel of approximately $10,000 per day.
If long term – we would have to discharge the cargo at a rate of $45 per nmt and have another vessel chartered to load on the river at the above added cost of $15.00 per nmt plus we would have the cost of the vessel that would be trapped at Jourdan Rd. and I have no idea what that cost would be. Guessing at least the demurrage of $10,000 per day and probably the cost of the lost charter, for which the freight rates at the moment are close to $300 per nmt. That would put a 7800 nmt vessel at $2,340.000.

Hope this information helps

Regards,
Cathy Nagin
NOCS Transport LTD

9. Southern Companies

From: Cook, Dirk [mailto:DCOOK@southernco.com]
Sent: Wednesday, April 30, 2008 12:35 PM
To: Raymond Butler
Cc: Mauffray, David A.; Dedeaux, Ronnie K.; Wallace, Jeffrey L.; Comensky, Susan B.; Rouse, Deborah J.; Miller, Alan H.
Subject: FW: Coal To Southern Companies via IHNC Lock ?
Importance: High

Raymond,

Southern Company approves the use of the attached material when providing a response to the Corps for the approximate current volumes of coal that Southern Company plants would be shipping through the Inner Harbor Canal Lock on an annual basis.

Please contact me if you have any questions.

Regards,

Dirk

10. Southern Recycling

Southern Recycling

Dear Sirs:

I am writing on behalf of Southern Recycling, LLC to respond to the impending de-authorization of the Mississippi River Gulf Outlet (MRGO) as laid out in the US Army Corps of Engineer (USACE) Draft Integrated Final Report to Congress and Legislative Environmental Impact Statement of June 2007.

Background

Southern Recycling has extensive operations throughout the Gulf of Mexico region. The company, established in 1900 in New Orleans, Louisiana, is now the largest metal recycler in the Gulf of Mexico region. Our New Orleans operation, headquartered at 4801 Florida Avenue, is a major operational division and has two facilities that will be directly impacted by the MRGO de-authorization and the resulting lack of viable alternatives to the Inner Harbor Navigational Canal (IHNC) Locks for traffic between the Mississippi River, the U.S. Gulf Intracoastal Waterway (GIWW).

Southern Recycling recycles ferrous and non-ferrous metals. The Florida Avenue facility is located at the foot of the Florida Avenue Bridge and outside the flood gates at the confluence of the IHNC Locks and the Inner Harbor. The facility, established in 1957, recycles a wide variety of metal, ranging from vessels and other marine structures to bridges and railcars, as well as white goods, automobiles and busses, even aluminum cans.

The volume and capacity at the Florida Avenue facility, designed to take full advantage of its geographic location, is massive. Following Hurricane Katrina the facility was able to take on scrapping the Maritime Administration (MARAD) National Defense Reserve Fleet vessels in addition to wrecked casino barges along with the usual complement of brown and blue water vessels and off-shore structures. As the Gulf region slowly got back on its feet, the yard filled with mountains of white goods (appliances) and destroyed autos and busses. We are proud that the Florida Avenue facility and our able workforce have been a steady engine for the rebuilding of New Orleans and the entire Gulf region.

Finished ferrous product moves up the Mississippi to domestic steel mills to be turned into high quality finished steel products for domestic infrastructure development or export. Once the MRGO is de-authorized and closed, the facility will be completely dependent upon the IHNC Locks to move material to market.

The Florida Avenue facility, one of the few businesses that have remained active in the Inner Harbor following Hurricane Katrina, is already negatively impacted by Congress' decision not to maintain a dredged channel in the MRGO. Southern Recycling can no longer bring material into the facility that cannot come up the rapidly silting MRGO channel or fit through the antiquated IHNC Locks. Additionally, Southern Recycling has diminished marketing capacity as the MRGO closure has eliminated our ability to load deep draft vessels for export. Rather than the free movement of traffic that the MRGO afforded, all of our barge and vessel traffic is now bottlenecked at the IHNC Locks.

While some of the material arrives at the facility by barge or tug, all processed material leaves the facility by barge or deep draft vessel. The Florida Avenue facility has at least 672 barge transits per year by regular suppliers or to regular customers through the IHNC Locks and roughly 400 additional barges, supply boats, tugs, ocean going vessels, marine structures, and maritime ships, including Maritime Administration National Defense Reserve Fleet (NDRF) vessels, will be transiting the Locks for dismantlement annually.

Congestion at the IHNC Locks is already more frequent as the MRGO is no longer a deep draft alternative. Our ability to meet customer deadlines for securing raw materials or to ship finished commodity in a timely, cost-effective fashion is increasingly unreliable. Operating in a commodity market, we must be able to effectively estimate transportation costs and timeliness. Our suppliers and customers are dependent upon consistent, timely inland marine traffic movements. These movements ensure that decrepit or dangerous infrastructure, dead ships and marine structures, white goods and transportation modules, can be removed, taken to our facility for safe and regulated removal of hazardous materials, transformed into finished commodity and re-integrated into the life-cycle of steel and other metal products.

In addition to moving the barge traffic in transit as well as repositioning at the facility, Southern Recycling is reliant upon tug assist service. Prior to Katrina and the subsequent USACE recommendation to close the MRGO, there was enough barge and ocean-going traffic in the Inner Harbor that a number of tugs were on duty to service customers and to meet our facility's daily need of several hours of tug assist. Now, the facility is dependent upon getting tug assist service through the Locks. The tug companies must pass their additional fuel and time costs onto us and they are also facing the same issues of congestion or potential failure of the Locks. If the tugs cannot get through the Locks, with the closure of the MRGO, there is no viable backup nor has the Corps suggested one.

While the Southern Recycling Gulfport facility is not so directly reliant on the movement of raw material to its facility through the IHNC Locks, it is dependent upon the IHNC for at least 10 barge transits to customers through the IHNC Locks per month.

Supply Management during Crisis

It is becoming more difficult to site end-of-life industrial facilities in marine accessible environments due to residential and commercial development pressures or "Not in My Backyard" concerns. Following every natural and man-made disaster in the Gulf Region, Southern Recycling has been able to step in and provide leadership in the management and recycling of metal. This is no small accomplishment. Because of the size of the Florida Avenue facility, following Katina the company could take in and recycle the literal mountains of white goods and autos that were destroyed. We were able to move the material through the facility in large part because of reliable barge traffic, particularly through the MRGO. If a natural or man-made calamity of that magnitude happens in the region again, the ability to have a reliable mechanism to move material by water will be critical; particularly if other modes of transportation are once again damaged and disrupt logistical supply trains.

Comment on Corps Proposed Alternatives
Southern Recycling operates in a commodity market, the pricing of which is dependent in part upon secure supply chains. The alternatives that the US Army Corps of Engineers have proposed to shallow-draft transit through the MRGO are either impractical or not sufficiently developed to ensure security of navigation.

The alternative routes proposed by the Corps are either impractical or are not sufficiently developed to ensure security of navigation:

1. Mississippi River to Baptiste Collette and into the Breton Sound and Chandeliur Sound thence up to the Mississippi Sound to rejoin the GWW.

This would expose tows to open water and is not suitable for our material transit outside of Dead Ship Tows.

2. Mississippi River north to the Ohio and Tennessee Rivers to eventually join the Tennessee-Tombigbee Waterway, then South into Mobile Bay to rejoin the GIWW.

We operate in a commodity market, the pricing of which is dependent upon secure supply chains. We buy metal products at the end of their life cycle. They need to be moved as quickly as possible to our facility for safety and to take advantage of the commodity market. Once we process the material, our customers relay upon steady delivery. The cost and time associated with this alternative is completely impractical for our Florida Avenue and Gulfport facilities as well as our sub-contractors, suppliers and customers.

3. Mississippi River to Baptiste Collette Bayou and into Breton Sound and north up to the back retainer canal on the southern side on the MRGO spoil area.

This route seems impractical as it would require significant new dredging and thereby possibly trigger an NEPA process thereby delaying the alternative.

4. Mississippi River to Baptiste Collette Bayou, in Breton Sound, and north to Bayou La Loutre in Bay Eloi thence through Bayou La Loutre rejoining the MRGO channel on the inner side of the closure barrier, to rejoin the GIWW.

This route seems impractical as it would require significant new dredging and thereby possibly trigger an NEPA process thereby delaying the alternative.

5. Emergency removal of a portion of the rock total closure structure in the event of prolonged delays or inoperability of the IHNC Lock if authorization and funding are available.

This is not a viable alternative if it is dependent on annual authorization and funding. Lack of authorization and/or funding kept the US Corps of Engineers from maintaining and strengthening the levees in and around the City of New Orleans and was a contributing factor to the levees failures from Katrina and the subsequent pump station failures that led to the widespread flooding of New Orleans and some adjoining Parishes. The inability to get funding has kept the rebuilding of the IHNC Locks on the drawing boards for over 50 years. The only way this alternative appears to be viable is to install a removable gate or other device to facilitate ease of opening and closing and to maintain a certain level of routine maintenance dredging of the MRGO.

If a removable barrier is a practical alternative, there does not seem to be any barrier to allowing the use of the MRGO as a year-round alternative to the IHNC, which would make it more practical to accelerate the appropriation of funding to rebuild the IHNC locks.

Southern Recycling's Position:

In the event of another natural or man-made disaster, or simple mechanical failure due to the deteriorating condition of the obsolete Locks and their jerry-rigged machinery and mechanical parts, the transportation and economic consequences for our company, the Gulf Region and the nation are unimaginable. And yet we must imagine; that is the lesson of living in the Gulf of Mexico region. We must imagine and we must prepare. As a major company dependent in large part on the marine movement of our raw materials and finished commodity, we cannot afford to be complacent. The US Corps of Engineers must work closely with the customers of the MRGO and IHNC Locks to ensure that any de-authorization of the MRGO happens in a fashion that enables the IHNC Locks to be an economic engine not a detriment to the economy of the Gulf and the Mississippi River Valley regions.

Having weathered numerous hurricanes at the Florida Avenue location, Southern Recycling does not believe that a hurricane-driven tidal surge up the Mississippi River-Gulf Outlet was a critical component to the topping of or failure of the levees around St. Bernard Parish or the Lower Ninth Ward. This position was affirmed by the IPET report and the peer review of that report by the ASCE. The failure of man-made systems and

machinery was the critical component. We find it unfortunate that the US Army Corps of Engineers proposes to close the MRGO to deep-draft traffic. However, we cannot comprehend how the Corps' can propose to close the MRGO to regular shallow draft navigation until the IHNC Lock is replaced or until a practical, permanently authorized and funded alternative bypass route not involving the MRGO is established.

We strongly support the effort by the Gulf Intercoastal Canal Association to work with its members and the US Army Corps of Engineers to ensure that any de-authorization of the MRGO provides the necessary guaranty of minimal disruption to the economic livelihood of the region or to the revitalization of Louisiana.

Sincerely,

Joel Dupré
Chief Executive Officer
Southern Recycling, LLC

12. Port of New Orleans

Gary P. LaGrange
President & CEO

August 31, 2007

Mr. Sean Mickal
U.S. Army Corps of Engineers
Planning, Programs and Project Management Division
Environmental Planning and Compliance Branch
CEMVN-PM-R
P.O. Box 60267
New Orleans, Louisiana 70160-0267

Subject: Draft Integrated Final Report to Congress
and Legislative Environmental Impact Statement
for the Mississippi River-Gulf Outlet
Deep-Draft De-authorization Study

Dear Mr. Mickal:

The following represents the comments of the Board of Commissioners of the Port of New Orleans (the "Port") on the subject report. Rather than addressing all areas of disagreement and concern with the report, the Port will confine its comments to major issues of consequence involved with the Corps' analysis and decision to recommend a complete closure of the MRGO to navigation:

1. A permanent blockage of the MRGO will cause significant economic damage to the region and to private and public interests who have invested more than $500 million in maritime-related infrastructure dependent on the MRGO. The only significant acreage devoted to industrial use in the City of New Orleans is dependent on this marine access as well. In a region struggling to recover from the largest natural disaster in the nation's history, it is reckless public policy to emasculate this economic base. A gate in the MRGO at Bayou La Loutre, which the Port supports, would achieve the same result in terms of storm surge protection as a permanent structure, while permitting continuation

of navigation. These considerations apparently have been ignored in the Corps' economic analysis leading to their conclusions.

2. A permanent blockage of the MRGO will result in irreparable injury to those entities which invested in maritime infrastructure in reliance on the Corps' Congressionally-mandated obligation to provide marine access. Compensation must be provided to those entities to permit relocation of affected facilities, both as a matter of fairness and as a matter of good public policy.

3. The economic damage caused by permanently blocking the MRGO is exacerbated by the lack of progress in constructing the new IHNC Lock. The closure of the MRGO to navigation would be less onerous if the new IHNC Lock were completed prior to such closure. While it appears clear that this will not happen, it is unconscionable that the Corps would not vigorously support expediting lock construction as part of its recommendation for the MRGO.

4. The Corps' economic analysis does not consider the effects of a catastrophic closure of the IHNC lock or of a de-watering event in the lock once the MRGO is blocked to navigation. In addition, the costs of barge and tug hire used in the Corps' analysis are unrealistically low. Finally, the Corps' economic analysis does not include the affects of simultaneous MRGO and IHNC lock closures on the Nation's strategic interests or the consequent widespread economic impacts of disruption to vital industries such as refineries and power plants.

5. We question the Corps' analysis of O&M costs for maintaining a shallow draft channel (12' X 125') in the MRGO. Such a channel is needed primarily as a bypass route in the event of a closure of the existing IHNC lock. The Corps has stated elsewhere that no maintenance would be required for the first seven years. Further, since the new IHNC lock can be operational in approximately 10 years, the MRGO channel would not be needed beyond that time. At most, only two or three years of maintenance would be incurred. Also, maintenance at the bar would not be required for an MRGO channel used as a bypass route.

We thank you for the opportunity to comment on the draft report.

Sincerely,

Gary P. LaGrange

GPL/lc

13. ThyssenKrupp Steel, USA

A ThyssenKrupp Steel company

ThyssenKrupp Steel USA, LLC

D. Scott Posey
Director of Communications

ThyssenKrupp

May 13, 2008

Gulf Intracoastal Canal Association
Attn: Mr. Raymond Butler
2010 Butler Drive
Friendswood, TX 77546

Dear Mr. Butler:

I am writing on behalf of ThyssenKrupp Steel & Stainless USA to express concern about the potential closure of the Mississippi River Gulf Outlet (MRGO) and the impact of a prolonged outage of the Inner Harbor Lock in New Orleans.

ThyssenKrupp is constructing a $3.7 billion world class, state-of-the-art steel and stainless steel processing facility in Calvert, Alabama. The facility will manufacture and process carbon steel and stainless steel for high-value applications by manufacturers in the United States and throughout North America. The plant will serve industries including automotive, packaging, construction, electrical and utility, in addition to serving manufacturers of appliances, precision machinery and engineered products.

ThyssenKrupp Steel & Stainless USA intends to ship up to 1 million tons of steel by barge and the intracoastal waterway is an essential link in our chain. Such a delay or shut-down would impact our supply chain and would result in delivery problems to our customer base in the NAFTA region.

Clearly, ThyssenKrupp supports the position that the MRGO should remain open to emergency shallow draft navigation until either the IHNC Lock is repaired or replaced or an alternative, practical bypass route not involving the MRGO is instituted, and appreciates the efforts of the Gulf Intracoastal Canal Association for its efforts.

Best regards,

Scott Posey

ThyssenKrupp Steel USA, LLC
1087 Downtowner Boulevard, Suite 200, Mobile, AL 36609
Phone: (251) 544-3000

14. United States Senators Thad Cochran, Roger Wicker, Richard Shelby, and Mel Martinez

United States Senate
WASHINGTON, DC 20510

April 29, 2008

The Honorable John Paul Woodley, Jr.
Assistant Secretary of the Army for Civil Works
108 Army Pentagon
Room 3E446
Washington, D.C. 20310-0108

Dear Mr. Woodley:

We are writing to request the Corps of Engineer's immediate attention to our concerns regarding east-west marine traffic through New Orleans along the Gulf Intracoastal Waterway.

There are currently two east-west routes for navigation through New Orleans along the Gulf Intracoastal Waterway: (1) the preferred route via the Inner Harbor Navigation Canal Lock; and (2) the alternate route via the Mississippi River Gulf Outlet. We understand that, in accordance with the Corps' Deep-Draft De-Authorization Study, the Mississippi Gulf River Outlet will be permanently closed to commercial traffic prior to the 2009 hurricane season, thereby eliminating the only alternate east-west route for navigation through New Orleans.

Unfortunately, the 85-year old Inner Harbor Navigation Canal Lock experiences frequent delays, unpredictable closures, and other problems impeding its reliability. In fact, the lock was closed for a two-month period in 1998 and more than two weeks in 2005. As the lock handles more traffic resulting from the Mississippi River Gulf Outlet closure, and continues to age, reliability becomes an ever increasing concern. The Deep-Draft De-Authorization Study failed to analyze the impact of possible future prolonged outages, which is particularly surprising since replacement of the Inner Harbor Navigation Canal Lock may be a decade away from completion.

The economic and national security importance of a reliable east-west route through New Orleans cannot be overstated. Products from over 20 states are moved through this route. It is critical for fuel shipments to the entire Nation and, the shipment of coal to power plants in Florida, steel and other materials to mills in Alabama and Mississippi, and petroleum and petrochemicals to and from Texas. It is our understanding that military air bases along the eastern Gulf of Mexico, including Keesler, Eglin, and Tyndall Air Force Bases and Pensacola Naval Air Station receive jet fuel from tank barges that move through New Orleans via the Gulf Intracoastal Waterway. As was demonstrated in the weeks following Hurricanes Ivan and Katrina, the Mississippi River Gulf Outlet has been the only reliable route for transporting fuel, water, building materials, relief equipment, and other critical goods when the Inner Harbor Navigation Canal Lock has been unavailable.

Due to the pending closure of the Mississippi River Gulf Outlet, we believe it is critically important that an assured long-term alternative be provided for commercial and national defense marine traffic when the Inner Harbor Navigation Canal Lock is unavailable due to natural disaster, lock failure, scheduled closures, or otherwise. We respectfully ask the Corps of Engineers consider identifying an alternate east-west navigation route through New Orleans along the Gulf Intracoastal Waterway, as a contingency for any scheduled or unexpected closures of the Inner Harbor Navigation Canal Lock. This effort should include preparation of a long-term plan for ensuring reliable east-west commercial traffic through New Orleans.

We appreciate your attention to this important matter.

Sincerely,

THAD COCHRAN
United States Senator

ROGER WICKER
United States Senator

RICHARD SHELBY
United States Senator

MEL MARTINEZ
United States Senator