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## PRESS RELEASE

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# Corps Continues Faulty Economics on Miss River Project

## Cheaper Alternatives Are Ignored

Minneapolis - The US Army Corps of Engineers (the Corps) continues to use faulty economic projections and ignore cheaper alternatives in its proposed expansion of the Mississippi River's lock and dam system, the Institute for Agriculture and Trade Policy's Mark Muller will testify at a public hearing in Bloomington tonight.

The Corps is holding a series of hearings in the Mississippi River region to present its highly controversial navigation study on how to address potential barge traffic increases on the river. This evening, at Bloomington's Ramada Inn (Thunderbird Convention Center), the Corps will present its latest analysis in what has been a decade-long study. The Corps' methodology has been severely criticized by the National Academy of Sciences, the Pentagon and the Office of Management and Budget for using poor economic modeling to project future barge traffic.

In February of 2000, independent investigators confirmed allegations from a Corps civilian economist that the analysis in the Upper Mississippi River and Illinois Waterway Feasibility study was intentionally skewed to reach the conclusion that longer locks and dams were necessary to relieve shipping congestion on the Mississippi River. Since that time, evidence has grown that targeted facility upgrades and more careful management of traffic flow could achieve the same results at much less cost to taxpayers and the environment. Additionally, the Army Corps has yet to release an analysis of systemic or master traffic scheduling as a nonstructural, low cost method for reducing congestion, despite studies dating back to the early 1990's that suggest this may be a viable alternative.

The Corps re-started the study in August 2001, promising a more thorough analysis of the economics of the project and to develop a plan to restore the river's ecological resources. While much additional work on the plan has been undertaken, the Corps' study still falls short in several critical respects.

"The Corps continues to predict substantial growth in grain trade, but the trend line for US grain exports has been flat for more than 20 years," Muller said. "They continue to use forecasts that justify large capital projects, instead of accurately assessing data around grain and soybean."

"The confluence of two clear trends – more value-added opportunities in the domestic market and an increasingly competitive and unprofitable world grain market – raise serious questions as to whether expanding locks is the best investment in the Midwest farm economy," Muller will testify tonight.

Further reports on the proposed Mississippi River lock and dam expansion project can be found at:  
[www.iatp.org/enviroag](http://www.iatp.org/enviroag)

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