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PRESS RELEASE

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NAS Criticizes the Corps' Study of Mississippi River Navigation

Academy Findings Confirm Calls For Cheaper, Immediate Alternatives

Minneapolis - The Army Corps of Engineers continues to use questionable economic methodology to evaluate whether a massive multibillion dollar lock expansion project is necessary on the Upper Mississippi River and Illinois Waterways (UMR-IW), according to a new report by the National Academy of Sciences (NAS) panel released today.

The Corps is currently considering alternatives to improve the navigation system on the UMR-IW, including a controversial \$2.1 billion lock expansion project that will take more than 20 years to complete. The Corps' study of the UMR-IW system has been rocked by controversy, including charges of cooking the analysis to forecast significant traffic delays in order to justify the largest of the lock expansion options. Due to controversy, this is the second time that the NAS has been asked by the Corps to review the navigation study's methodology.

The NAS panel's report released today confirms previous critiques of the Corps' forecasts for future barge traffic on the river system. The panel corroborated three key points that the Institute for Agriculture and Trade Policy has asserted for several years:

- The Tow Cost Model used by the Corps to assess future traffic demand is inadequate and a full spatial price model is needed;
- The grain export forecasts used in these models appear to be biased toward large increases and inconsistent with the past 20 years of relatively steady export levels; and
- New traffic management measures could reduce congestion in a cost-effective manner, and until such a system is in place, it is not possible to evaluate the benefit of lock extensions.

"The Corps continues to have tunnel vision for a costly, massive lock expansion project, instead of considering more immediate, cheaper alternatives to improve Mississippi River navigation," said IATP's Environment and Agriculture Program director Mark Muller. "There are several transportation sectors that effectively use advancements in global positioning systems and communications technology to reduce costs. The barge industry's reliance on federal subsidies reduces innovation while also distorting the agricultural transportation market."

Last week, IATP released two reports on UMR-IW system: "Upper Mississippi River and Illinois Waterways: How to Reduce Waiting Times of Vessels While Using the Current Infrastructure" by the University of Missouri-St. Louis' Center for Transportation Studies; and "Technology We Have vs. Money We Don't: How to Avoid Sinking \$2.1 Billion into the Mississippi River." The NAS report provides a strong endorsement for the conclusions in the IATP reports, stating that "The Corps should proceed as soon as practicable toward developing and implementing a nonstructural system to help alleviate waterway traffic congestion."

The NAS report can be found at: www.nas.edu

IATP reports on the UMR-IW system can be found at: www.iatp.org/enviroag.

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