Project Proposal Submission Form

Project Name: Mississippi River Ship Channel (MRSC)

Note: All provided information may be included in the USACE Annual Report. Please do not include information that is Confidential Business Information (CBI) or other information whose disclosure is restricted by statute.

All proposals should meet the following criteria:

1. Are related to the missions and authorities of the USACE;
2. Require specific congressional authorization, including by an Act of Congress;
3. Have not been congressionally authorized;
4. Have not been included in any previous annual report; and
5. If authorized, could be carried out by the

USACE. Required Information:

1. **Provide the name of all non-Federal interests planning to act as the sponsor, including any non-Federal interest that has contributed or is expected to contribute toward the non- Federal share of the proposed feasibility study or modification.**

   a. LaDOTD

2. **State if this proposal is for a feasibility study or a modification to an authorized USACE project or feasibility study and, if a modification, specify the authorized project or study.**

   ☐ Feasibility Study

   ☒ Modification to authorized USACE project or feasibility study

   Name of Project/Study Modified:
   Mississippi River Ship Channel, Gulf to Baton Rouge, LA

3. **State the project purpose of the proposed study or modification.**

   The purpose of this study effort is to implement the 3rd phase of the Mississippi River Ship Channel, which authorizes a -55 ft channel. It must be confirmed that the project is still economically justified and it must be verified that only going to -50ft is incrementally justified.

4. **Provide an estimate, to the extent practicable, of the total cost of the proposed study or modification.**

   Estimated Total Cost: $

5. **Describe, to the extent practicable, the anticipated monetary and non-monetary benefits of the proposal including benefits to the protection of human life and property; improvement to transportation; the national economy; the environment; or the national security interests of the United States.**

World and U.S. trade is expected to continue to grow and post-Panamax size vessels will dominate the world fleet in the future. The Mississippi River is home to 4 of the busiest ports in the US and is ill prepared with a 45 foot channel to accommodate the new post Panamax traffic. The ability for deeper draft traffic along the Mississippi River will be of significant value to the US economy by providing transportation cost saving.

6. **Describe if local support exists for the proposal.**

7. **State if the non-Federal interest has the financial ability to provide for the required cost share.**

8. **Submit a letter or statement of support from each associated non-Federal interest.**

Attach to Form.

Please use this space for additional information.

LOUISIANA DEPARTMENT OF TRANSPORTATION & DEVELOPMENT

Office of the Secretary
PO Box 94245 | Baton Rouge, LA 70804-9245
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Bobby Jindal, Governor
Sherri H. LeBas, P.E., Secretary

December 2, 2014

Colonel Richard L. Hansen, Commander
U.S. Army Corps of Engineers
New Orleans District
P.O. Box 60267
New Orleans, Louisiana 70160 - 0267

Re: Mississippi River Ship Channel, LA

Dear Colonel Hansen:

The Louisiana Department of Transportation and Development, the sponsor of the Mississippi River Ship Channel, LA project, supports moving forward with Phase 3 of the project by updating the feasibility study. It is our understanding that inclusion in the Corps' Annual Report to Congress, required by WRRDA 2014, is a step in that process. DOTD is prepared to seek the needed cost share to proceed.

If you have any concerns or questions, please contact Mr. Phil Jones at (225) 379-3030.

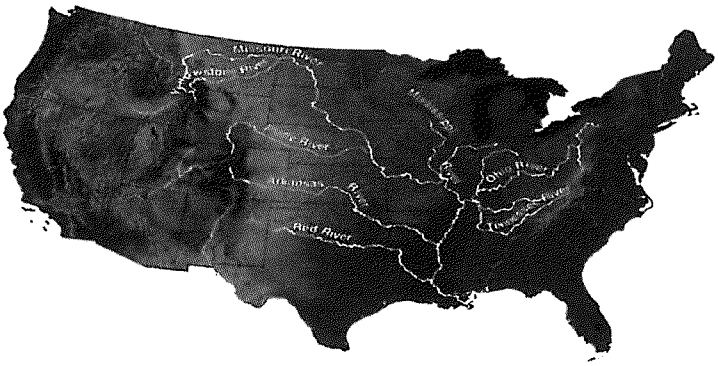
Sincerely,

Sherri H. LeBas, P.E.
Secretary

SHL/sjb

cc: Mr. Sean Duffy

BIG RIVER COALITION



Sean M. Duffy, Sr.
Executive Director
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December 3, 2014

Colonel Richard L. Hansen
District Commander
United States Army Corps of Engineers
New Orleans, District
P.O. Box 60267
New Orleans, LA 70160

Re: Mississippi River Ship Channel, LA

Dear Colonel Hansen:

The Big River Coalition (BRC) was created in Fiscal Year 2011 in response to the announcement by the Commander of the United States Army Corps of Engineers' (USACE) Mississippi Valley Division (MVD) confirming the discontinuation of reprogramming funds to maintain the Lower Mississippi River (LMR) navigation channel. This position change immediately meant the Mississippi River's navigation channel would no longer receive preferential treatment. Shortly after the 1989 grounding of the M/V MARSHAL KONYEV (Pilottown) that, in essence, closed the navigation channel to all ship traffic, the USACE's Headquarters announced in a position statement that it would maintain the nation's most critical navigation channel. The BRC's original focus was to obtain additional funding to supplement the shortfall in the Corps' Operations and Maintenance budget, to strive to establish a legislative firewall around the Harbor Maintenance Trust Fund and to represent members of the Mississippi River navigation industry in matters related to coastal restoration. As our membership grew and continued to make effective progress on these initiatives, members supported the Coalition's commitment to actively advocate for the deepening of the LMR navigation channel to 50 feet.

The Water Resources Reform and Development Act of 2014 (WRRDA 2014) required the USACE to publish a *Federal Register* Notice that requested proposals from non-federal sponsors for feasibility studies and modifications to authorized water resources development projects or feasibility studies. The Louisiana Department of Transportation and Development (LODTD) has made the LMR Deepening Feasibility Study a priority Mega-Project and has notified the USACE's Mississippi Valley New Orleans of their commitment to fund their portion and to execute a cost share agreement with them. The BRC enthusiastically offers our support moving forward with Phase 3 of the "Mississippi River Ship Channel, LA" feasibility study as related to deepening the LMR deep-draft navigation channel to 50 feet.

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The expanded locks of the Panama Canal are scheduled to open in early 2016. The new locks will have a controlling draft of 50 feet and the LMR should be deepened to match this depth in order to maximize the reduced transportation costs. Informa Economics completed a study in 2013 that indicated deepening the LMR to 50 feet would offer reduced transportation costs for agricultural cargoes by up to 35 cents per bushel. Also in 2013, the BRC jointly commissioned an economic impact study with LDOTD by Dr. Tim Ryan that indicated:

- At the end of an eight-year period of phasing in the implementation of the usage of the larger post-Panamax ships, the deepening of the Lower Mississippi River to 50 feet will accommodate an increase of $24.36 million tons of cargo, valued at $16.26 billion.

- Based on 2011 cargo movements on the LMR, the following commodities will be impacted by deepening the River to 50 feet: Crude Oil, Pig Iron, Iron Ore and Gasoline on the import side; Corn, Soybeans, Coal, Crude Oil, Pig Iron and Iron Ore on the export side.

- Once all effects are phased in (2024), American producers made up of mostly farmers and consumers will see a direct positive impact of $5.876 billion. The ripple effect or secondary spending effect could add another $5.615 billion. The total potential gain to the U.S. economy of the enhanced deepening will be $11.491 billion in increased production and lower gasoline prices once all affects are phased in.

- If total impacts are used over the first eight years of the project, the estimated Benefit Cost Ratio is 89.4.

The Big River Coalition is committed to protecting maritime commerce across the Mississippi River and Tributaries (MRT). The Coalition focuses on maximizing transportation efficiencies on the deep-draft ship channel from Baton Rouge to the Gulf of Mexico. As concerns grow about the future management of the Mississippi River system and efforts are increased to help reduce or prevent adverse impacts related to flood protection, protecting water supplies, recreational boating, fishing, invasive species, coastal restoration, and minimizing the negative impacts of runoff and pollutants, it is critical to the nation's economy that navigation be properly protected and prepared for the post-Panamax future. The best economic estimates available indicate that the MRT has over a $200 billion annual impact on the economy of the United States. Therefore, as visions of the future of the MRT are shaped, it is imperative that navigation representatives strive to ensure that systematic approaches protect maritime trade by maintaining fully authorized channel dimensions while also updating and maintaining our navigation infrastructure.

Sincerely,

Sean M. Duffy

Sean M. Duffy, Sr.
Executive Director
Big River Coalition

CC: Secretary Sherri LeBas