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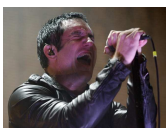
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# Industrial Canal lock price tag now estimated at \$1.3 billion

by Mark Schleifstein, The Times-Picayune

Wednesday October 15, 2008, 9:35 PM

The cost of widening the Industrial Canal lock has ballooned to \$1.3 billion from a 2003 estimate of \$770 million, according to a report released by the Army Corps of Engineers.

The project -- long pushed by the shipping industry and the Port of New Orleans -- would allow deep-draft ships to reach the northern portion of the Industrial Canal from the Mississippi River and speed the passage of barges traveling along the Intracoastal Waterway.

[View a map detailing the plans for a new lock.](#)

The bigger price tag calls into question whether the project's economic benefits would outweigh its costs. The report acknowledges that costs would exceed benefits if the calculations use interest rates in effect in 1998, when Congress first authorized construction on the lock expansion, according to corps documents.

The report relies instead on today's lower interest rates to conclude that the project would return \$1.57 for every dollar spent during its 50-year expected lifetime.

### Benefits decrease

The estimated economic benefits have decreased at the same time the expected cost has increased, according to the report. Two reasons contribute to the lowered estimates.

First, the closure of the Mississippi River-Gulf Outlet, a main route larger ships have used to reach the canal -- will greatly reduce the economic benefit of expanding the lock to accommodate deep-draft shipping.

Second, original projections relied on the economic benefits of speeding car and truck traffic over bridges spanning the canal -- which would open less often -- and thereby promoting commerce on both sides of the canal. Those projections have been discounted because of a much smaller population after Katrina and a state decision not to replace the Florida Avenue Bridge.

The new report was ordered by U.S. District Judge Eldon Fallon in 2006 after neighborhood and environmental groups sued the corps, saying its original environmental report underestimated the potential effects of toxic materials in sediment dredged from the canal during construction.

Fallon ordered work on the project halted until the report was completed. If the report is approved and Fallon lifts his stop-work order, construction would be completed no earlier than 2018.

### Health effects

The report concludes that the impact on health from five hazardous chemicals or heavy metals found in dirt to be removed during construction is minimal or nonexistent, and is likely to stay within a disposal cell to be built in wetlands just north of the Lower 9th Ward.

Those conclusions aren't sitting well with the project's critics.

"After reading the summary, my sense is that the corps . . . is tweaking the little picture, but missing the big one," said John Koefler, who heads the Coalition Against Widening the Industrial Canal.

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