



Everything New Orleans

Corps moving forward with Industrial Canal lock expansion project on its own

industrial_canal_lock.jpg

Barge traffic in the Industrial Canal on August 20, 2010. The Army Corps of Engineers is moving forward with a study of plans to expand the lock between the canal and the Mississippi River. *(David Grunfeld, NOLA.com | The Times-Picayune)*

Mark Schleifstein, NOLA.com | The Times-Picayune By **Mark Schleifstein, NOLA.com | The Times-Picayune**

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The 58-year effort to expand the **navigation lock** connecting the Mississippi River to the Industrial Canal took another unusual turn this week with the announcement by the **Army Corps of Engineers** that the **Port of New Orleans** had dropped out as a local sponsor of a deep-draft version of the lock in 2012.

Instead, the corps has recently decided administratively to pay the full cost of a set of new studies of how best to build the project and of its environmental impacts, according to Ricky Boyett, a spokesman for the corps' New Orleans District office.

While that review will include an assessment of whether it should be a 20-foot-deep shallow draft structure or a 36-foot deep draft structure that can accommodate some oceangoing vessels, it seems clear from presentations made by corps officials and a 2012 letter from port officials that the deeper lock is no longer financially feasible.

In a Sept. 26, 2012, letter released Thursday by the corps, Port of New Orleans president and chief executive Gary LaGrange said an earlier review of the benefits versus costs of the project found that the benefits for the deep draft structure represented 0.90 to 0.95 per dollar of cost, not enough for the corps to approve the project.

The letter said the shallow draft version had a benefit of 1.06 per dollar, and thus remained eligible for federal funding.

But the letter also pointed out that because the lock is part of the Gulf Intracoastal Waterway that runs along the southern and eastern coastlines, it is eligible to have half of its costs paid for by the Inland Waterways Trust Fund, instead of the port.

That means the Inland Waterways Users Board, which is made up of representatives of companies that ship goods and the small-draft vessels used for moving them and advises the trust fund, will act as the sponsor of the project, Boyett said.

But it also means that Congress must eventually appropriate both the corps' 50 percent share of the cost from annual corps construction budgets, and the other 50 percent from the trust fund. But Congress has been hesitant to appropriate money for the project since it was authorized in 1956, and more recently, taxpayer reform groups have labeled the project a boondoggle.

According to Boyett, when the deep draft version of the lock was being considered, the users board was not eligible to be a sponsor, as the project would be able to handle ocean-going vessels.

While the users board discussed the lock project at meetings in May and November 2014, no votes were taken during those meetings on whether it supported the project, according to minutes of the meetings.

At a Nov. 18 meeting in Baltimore, Md., Major General John Peabody, deputy commanding general for civil and emergency operations with the corps, was still asking for "more clarity of the source of funding, the amount of funds expended and what was received for those expenditures" involving the lock project, according to meeting minutes.

Those comments followed a presentation by Joseph Aldridge, civilian construction project manager for the corps' headquarters division, that estimated the lock replacement project would cost \$1.4 billion, of which about \$110 million had already been spent. That's an increase from the \$1.3 billion estimate in a 2009 supplemental environmental impact statement that included the more expensive deep-draft project.

The Aldridge project cost estimate assumed that \$791.6 million of the total cost would come from the corps' construction budget, and \$609.8 million would come from the Inland Waterway Trust Fund.

The controversy surrounding the lock expansion includes a protracted court fight with environmental groups over the need for the structure, its effects on the Holy Cross neighborhood and the Lower 9th Ward, and potential problems with contaminated sediment that would be dredged from the canal during construction.

The 2009 environmental impact statement suggested that some of the contaminated sediment might be safely dumped in the Central Wetlands Unit adjacent to the Lower 9th Ward, which also has been targeted for restoration as a cypress-tupelo swamp by state and parish agencies.

In 2011, U.S. District Court Judge Eldon Fallon ordered all work on the lock project be halted until it complied with provisions of the National Environmental Policy Act and the Clean Water Act, the result of a lawsuit filed by the Tulane Environmental Law Clinic on behalf of the Louisiana Environmental Action Network; Sierra Club; Citizens Against Widening the Industrial Canal; Holy Cross Neighborhood Association; and Gulf Restoration Network.

In his order, he found the corps had failed to adequately consider that the closure of the Mississippi River-Gulf Outlet may have eliminated the need for the lock to be deep enough to handle deep-draft vessels.

Expansion of the lock that first opened in 1923 was originally proposed by the port in 1954 as part of a plan to let

ships with drafts of 36 feet -- the standard then -- to have access to the Industrial Canal from both the river and the MR-GO, a shortcut to the canal from the Gulf of Mexico.

Today, many ocean-going vessels have drafts of as much as 50 feet, and the corps also is considering whether to dredge the lower Mississippi River channel to handle those ships, an increase from the present 45-foot standard. None of those would be able to use either the shallow draft or the dropped deep-draft version of the new lock.

The MR-GO was deauthorized by Congress in 2008, after its navigation channel filled with sediment during Hurricane Katrina and local officials and environmental groups complained about the wetland erosion it had produced.

The channel was dammed off at its southern end the next year.

Corps and industry officials say the existing lock remains a major obstacle to east-west shipping along the Gulf Intracoastal Waterway, and the maintenance woes of the structure, which dates back to 1922, exacerbate the problems.

Last year, the lock had to be closed for several weeks to allow replacement of a major gear in the structure. The lock also is expected to close for as long as three months later this year for major repairs, corps officials said.

Now, the corps is focusing on a new lock that would be 20 feet deep. That's shallower than both the existing lock, which is 31.5 feet deep, 640 feet long and 75 feet wide, and the deep draft proposal, which was 110 feet wide by 1,200 feet long and 36 feet deep.

The new lock would stretch northward from the Claiborne Avenue Bridge in the direction of the lakefront.

Work would also be required on floodwalls and levees that would extend from the existing lock to the new location.

At a **Wednesday meeting** at Martin Luther King Jr. Charter School in the Lower 9th Ward, residents said they remained suspicious of the corps' actions on behalf of the lock project, repeating concerns about additional ship traffic through their neighborhood.

Port of New Orleans 2012 letter to the corps requesting it be dropped as a sponsor for the deep-draft lock proposal.



September 26, 2012

GARY P. LaGRANGE, PPM
President and Chief
Executive Officer

9-25-12
THAT DPM
OPS
Sent copy to
Ops 10/1/12

→ wingate

Colonel Edward R. Fleming
New Orleans District Commander
U. S. Army Corps of Engineers
7400 Leake Avenue
New Orleans, Louisiana 70118

Dear Colonel Fleming:

The Board of Commissioners of the Port of New Orleans (Port) is the local sponsor for the Inner Harbor Navigation Canal (IHNC) Lock Replacement Project in New Orleans. This waterway navigation improvement project was first authorized by the Congress in 1956, and yet, over 55 years later, the replacement lock has not been built. To provide a better understanding of the project's strategic direction, a working group (Working Group) was convened composed of representatives of the U. S. Army Corps of Engineers (Corps) from Corps Headquarters, Mississippi Valley Division, New Orleans District and Pittsburgh District, the Port, and the shallow-draft towing industry. The Working Group reviewed the status of the project, and provided a report detailing the factual background and future prospects for the IHNC lock project.

The following are key findings in the Working Group's August 2012 report:

- Projected total cost for the IHNC deep draft replacement lock is \$1.3 billion (2010 dollars).
- Projected total cost for the IHNC shallow draft lock is \$1.0 billion (2010 dollars).
- Corps funding allocations to date for the project are \$136 million (project design not yet completed).
- Projected Port share of costs for the deep draft increment is \$80-to-120 million (2010 dollars).
- Available funding for the local cost share of the deep draft increment is approximately \$20 million in Port funds currently held in a dedicated escrow account.
- Corps estimate of net benefits from the project's deep draft increment is \$0.00.
- Corps estimate of the benefit/cost ratio for the deep draft replacement lock is 0.90-to-0.95; accordingly, the deep draft project is not eligible for Federal funding.
- Corps estimate of the benefit/cost ratio for the shallow draft replacement lock is 1.06; the shallow draft project remains eligible for Federal funding.
- The project would require 50/50 funding from general appropriations and the Inland Waterways Trust Fund (IWTF).
- Based upon the Corps' priority ranking for currently-pending major lock and dam projects, the low balance in the IWTF, and the anticipated supply and demand of project

BOARD OF COMMISSIONERS OF THE PORT OF NEW ORLEANS

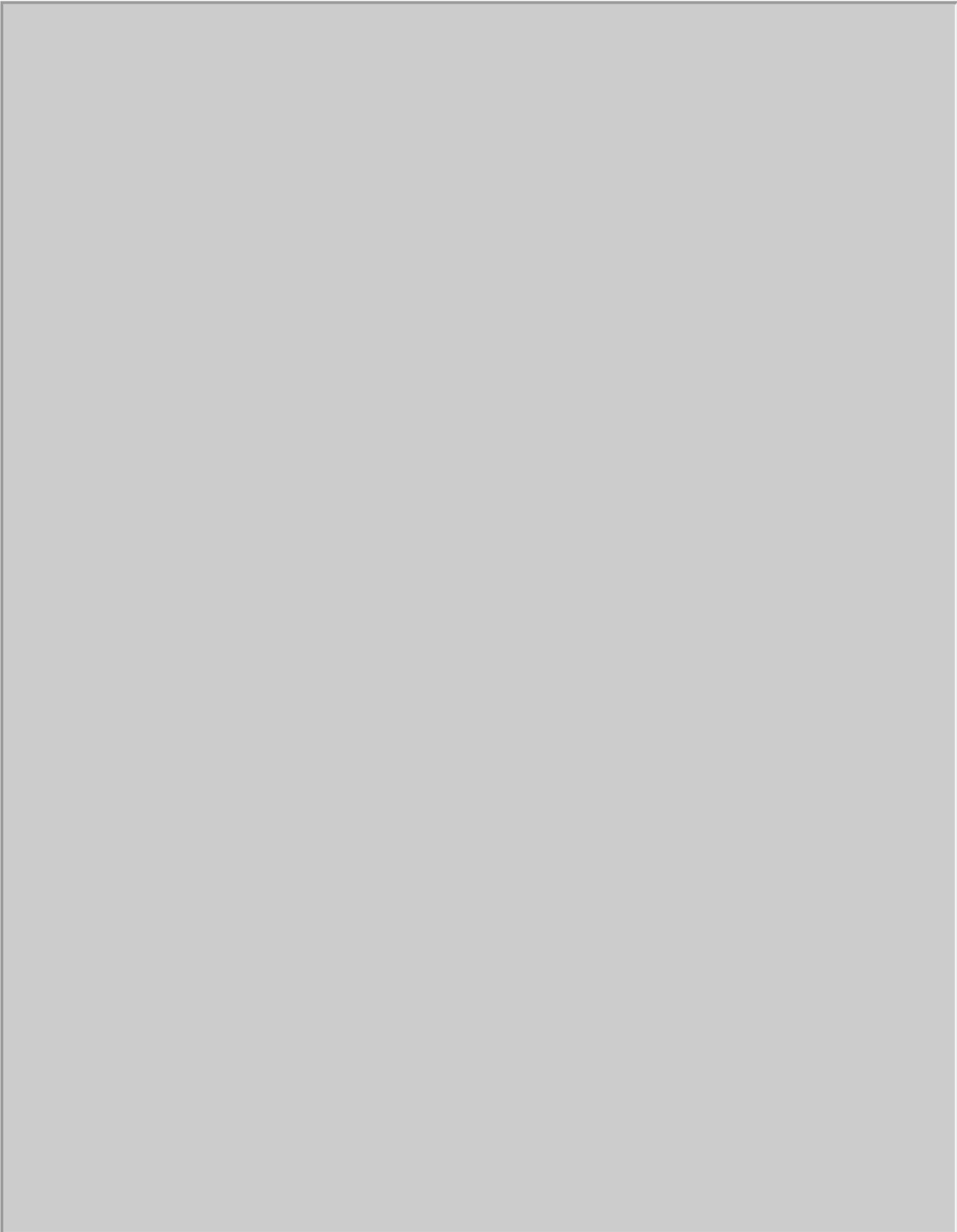
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Post Office Box 60046 * New Orleans, Louisiana 70160 * Tel: 504-528-3203 * Fax: 504-528-3397

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May 2014 presentation on Industrial Canal to the Inland Waterways Users Board by Mark Wingate, chief of the projects and restoration branch with the corps' New Orleans district office:



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