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Northwest Indiana Times

Big ships could be coming

BY MEGGEN LINDSAY Times Staff Writer

The U.S. Army Corps of Engineers is poised to launch a \$20 million study to look at deepening portions of the Great Lakes and the St. Lawrence Seaway to allow larger ships to come into the waterway.

Port directors say almost none of the world's ocean-going ships can pass through the Great Lakes' aging system of locks, channels and ports. Area industry officials and the business community largely hail the pending Navigation System Review as an economic necessity to help the Great Lakes remain competitive and attract lucrative international and national shipping.

The Indiana Port Commission, which oversees the International Port at Burns Harbor in Portage, is expected to pass a formal resolution in favor of the Great Lakes study in early December.

But there is a growing nationwide movement against the Corps among environmentalists. Activists from Northwest Indiana to New York state say changes to the lakes would be so ecologically devastating that even studying the matter is an unwarranted and expensive waste of time and money.

According to the National Wildlife Federation, the navigation project threatens to bring in more invasive species, lower lake levels and cause

water quality to plummet.

Not necessarily, countered William Friedman, executive director of the Ports of Indiana.

"The stakes in this are high for Northwest Indiana, which is more dependent on the Burns Harbor port than the rest of the state," he said. "But this matters to farmers all over the state who are trying to export crops and manufacturers who are trying to export goods.

"And the study will look at more than just deepening the Lakes. Its overall purpose is modernizing the system, to ensure that it will be viable for the next 40 to 50 years. It's all about lowering transportation costs to make Indiana competitive."

Study promises cost-benefit analysis; some dispute its value
The navigation review study, approved by Congress and awaiting its first year of funding in 2003, would look at the feasibility of constructing a 35-foot deep ship channel from Montreal to Duluth, Minn. It comes out of a preliminary analysis Congress ordered in 1999 to study the lakes and the St. Lawrence Seaway in New York that connects them to the ocean.

A draft of that initial analysis was completed in April.

The Corps, which would contribute \$10 million over at least five years, is negotiating with Canada for the remaining half, because the two nations jointly govern the Great Lakes.

"There has never been a comprehensive study which both us and Canada sponsored, and never one that had a scope to look at the system in its entirety," Friedman said. "At its heart, this is a cost-benefit analysis.

"The Great Lakes and St. Lawrence compete with the rail and truck industry for export business. We clearly want to look at what could be done to make the system more competitive and help us when we are out marketing Burns Harbor as a place to move cargo."

Implementing any proposed changes could cost close to \$10 billion, according to the Corps' draft report. With the weakening of the local steel and other manufacturing industries across the Great Lakes, any claims of economic benefits amount to wishful thinking, said Tim Eder, director of water resources at the National Wildlife Federation's Great Lakes Natural Resource Center in Michigan.

"When you look at the decline in traffic on the lakes, when you look at the facts, it is hard to justify economically that it makes sense to expand the navigation system in the way the Corps is suggesting," he said.

Besides deepening connected channels and ports, the Corps' draft report suggests improvements to the navigation system could be made through reconstruction of locks in the system. But nonphysical changes also could

be made, Friedman said, such as extending the shipping season into winter and reviewing how the two nations govern the waterways.

"The planning exercise will look at all kinds of different scenarios, from doing nothing to building (the navigation system) bigger and better," agreed Steve Fisher, executive director of the American Great Lakes Ports Association in Washington.

"The environmental groups don't like that option, but they are limited in their focus," he said. "This study is going to look at all kinds of things, only one of which they oppose."

Fisher said the Great Lakes' current navigation system -- which dates back 70 years in some sections -- would be unheard of among the country's other transportation modes.

"There's just no plan. For highways, for airports, there's a plan for the future. This infrastructure does not have that," he said. "It's only responsible for the two governments to get together and come up with a plan."

But the Corps has completed studies on navigation expansion already, albeit not as comprehensive, National Wildlife Federation's Eder pointed out. He said past navigation plans consistently have been found to be economically unjustified and environmentally unacceptable.

"The Corps has lost sight of who their clients are and whose interests they are to serve," Eder said. "Too often, the Corps is beholden to members of Congress or interests who would benefit by local projects, and not the taxpayers at large."

Study supporters stress economic interests

U.S. Rep. Pete Visclosky, D-Ind., disagreed. He said the study would benefit taxpayers, and it would be an "abdication of responsibility" if he did not support it.

He said he also has helped to get funding for nearly \$2 million in environmental studies to be conducted simultaneously with the Corps' review in 2003. Those studies should be looked at in conjunction with the navigation system, he said.

"My first responsibility is to retain good-paying jobs in Northwest Indiana and create good-paying jobs here," Visclosky said. "I think it is imperative that we look in balanced fashion to see what can be done to facilitate a greater flow of commerce in the Great Lakes region."

Despite the current slump in steel, expanding international trade has significant implications for Indiana's economy, Friedman, the Ports of Indiana executive director, said.

Burns Harbor annually ships more than 2 million tons of cargo from its 13 working docks, he said. Thirty companies operate out of the port and employ

more than 1,000 workers.

The Port of Indiana's economic activities generate more than 3,400 total jobs, \$144 million in annual wages and an economic impact of \$585 million per year, according to port officials.

Army Corps funding under fire amid calls for reform

Regardless of that debate, neither the navigation review study nor any of the new projects the Corps wants to undertake were funded this year.

The annual Energy and Water Appropriations bill that included the 2003 funding for the navigation review and other Corps projects was held over until next year, and both chambers of Congress approved different dollar amounts for it.

The House authorized \$2 million and the Senate \$750,000; experts are reluctant to say what the final funding level might be.

In addition, Congress stalled on approving all the Army Corps' new water projects across the country, in part because of growing concern over Corps management. Environmentalists and some legislators believe the Corps must be reformed before it can be allowed to embark on new projects.

The Corps' new projects generally are authorized every two years through the Water Resources Development Act, but that bill was pulled from the calendar in October.

Army Corps projects are a typical favorite for legislators to bring home to their districts, but the tone among some lawmakers is changing.

Since the last Water Resources Act was passed in 1999, the Army's inspector general, the National Academy of Sciences and the General Accounting Office in Washington have criticized the Corps' analyses of major projects. The agencies accused the Corps of manipulating environmental and economic data to justify major projects.

A group of Democrats and Republicans called for outside financial analysis and review of the Corps' major projects, although the end of Congress's legislative session in November effectively stopped the reform measures.

"A lot of congressman want reform, but not in their own back yards," the National Wildlife's Eder said.

Unlike many of his Democratic counterparts in the House of Representatives, Visclosky refused to give his opinion on Corps reform, and said only that he has an open mind about possible suggestions for the agency.

"It would be speculative on my behalf to talk about Corps reform, because there is nothing specific that has been brought to Congress," he said. Amendments and separate legislation were sponsored, but no proposals were voted on.

On the East Coast, the effects of the agency criticism have been clear: The Corps postponed its \$311 million deepening of the Delaware River and halted a project on the Chesapeake and Delaware Canal.

"It is an inability, a failure on the part of the Corps, to do sound economic evaluations," Eder said. "It's what is happening here with the navigation system review. This has all created the current crisis in accountability and credibility at the Corps."

Corps officials dispute those claims: The Army's Chief of Engineers, Lt. Gen. Robert Flowers said in a statement that "our current project authorization and appropriation process serves the nation well.

"Nonetheless, as with any progressive organization, I have taken, and will continue to take, internal steps to strengthen the water resources program management," he said.

Even if there are environmental ramifications, the study at least should be completed, regardless of its outcomes, Indiana Ports' Friedman said.

"It's weighing the positives against the costs and environmental or other negative impacts," he said. "It's rather an extreme tactic to say, 'Don't fund a study.' To be afraid to even look at the issues is not in the best interest of the people we represent."

But Lee Botts, a nationally renowned clean water expert and Gary resident, said the stakes are too high.

"There is no evidence at all that the ships would even use the new system," she said. "And there's a great deal of evidence on how much destruction would be done to the lake and wetlands.

"And in the St. Lawrence river, pilots there say that the ocean ships are so huge that for them to navigate through that area would require the blasting of hundreds of islands," Botts continued.

"I've always been a supporter of Visclosky, but we have had to agree to disagree on the navigation plan and the need for Corps reform."

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