



TULSA PORT OF CATOOSA

McCLELLAN-KERR ARKANSAS RIVER NAVIGATION SYSTEM

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ROGERS COUNTY
PORT AUTHORITY

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Testimony of

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**Before the
United States Senate
Committee on Environment and Public Works**

**Hearing on the Importance of
Enacting a New Water Resources Development Act
Wednesday, February 10, 2016
10 A.M. EST
406 Dirksen Senate Office Building**

My name is Bob Portiss. I have been affiliated with the Tulsa Port of Catoosa since 1973 and as Port Director since July 1st, 1984. Our Port is located at the Head of Navigation for the McClellan-Kerr Arkansas River Navigation System (MKARNS), 15 miles from downtown Tulsa, Oklahoma. It is both an honor and privilege for me to appear before you today—especially since my long time friend and our Senior Senator is Chairman. Senator Inhofe’s numerous contributions to our industry and our Port began in 1978 when he began his 6-year term as Mayor of Tulsa.

Prior to passage of the Rivers and Harbors Act of 1946, which authorized the building of the MKARNS, Congress made it clear that before federal monies were invested in the new Waterway the principal cities located along this new 445 mile long proposed waterway would need to commit to develop a port to insure that business and industry would have access to barge transportation. Tulsa fulfilled this commitment by acquiring its current 2500 acres of contiguous land and developing it into one of our Nation’s largest inland ports with its current compliment of 72 industrial facilities that, as of a year ago, employed 4200 people and whose annual waterborne commerce averaged 2.5 million tons. Congress, in turn, agreed to construct and maintain the MKARNS with its 18 locks and dams to provide a minimum depth of 9 feet.

This partnership worked well until a few years ago when the backlog of maintenance reached an unprecedented \$170 million, \$70 million of which is now deemed critical by the Corps of Engineers. The term “critical” is defined by the Corps to mean those items that have a greater than 50% chance of failing over the next 5 years. The stakeholders of the MKARNS, including non-federal public and private interests, have been alerting Congress to this problem ever since. As this backlog continues to increase so will the probability of lengthy failures. Recognizing this, the stakeholders along the MKARNS worked to include a provision in WRRDA 2014 that would allow us to partner with the Corps to help address such failures.

The provision that was enacted in WRRDA 14 is Section 1024. Section 1024 authorizes the Secretary of the Army to accept materials and services from non-federal stakeholders to be used to repair, restore and replace projects that were damaged or destroyed as a result of an emergency. Implementation guidance has not yet been released for this section, but we are pleased that the Corps’ Little Rock District held a table top exercise on November 19th, with stakeholders along the waterway, to discuss how to implement this provision.

The statutory language refers to an emergency. The Manager’s Report describes damage resulting from a major disaster, emergency, or other event. The Report also expresses concerns about lack of funding for operation and maintenance and failure of equipment.

We are concerned because we understand that when the implementation guidance for this section is issued, it will be limited to emergencies resulting from a natural disaster. So, for instance, if there's a flood event and lock gates fail, then this provision could be utilized to allow the non-federal stakeholders to contribute goods and services to repair them. If however, those same gates fail as a result of lack of maintenance, then the authority provided under this provision would not be available.

The Corps has stated that they embrace the intent of Section 1024, but have not found ways to overcome the legal constraints of the rules and regulations they must follow. In order to carry out Section 1024 as intended, we believe that WRDA 2016 presents an opportunity to address any concerns the Corps might have. In that regard, we would urge you to modify Section 1024 of WRRDA 2014 to confirm that an "emergency" is not limited to natural disasters but includes failures resulting from a lack of maintenance. We would further recommend that authority to implement this provision be delegated to the District Commanders to ensure prompt action.

Our Nation's 25,000 miles of inland waterways handle over 600 million tons of cargo annually—including agricultural products, petroleum, chemicals, coal, and iron and steel at a cost typically \$11 cheaper per ton than other modes. This amounts to an average annual savings of \$7 billion for America's economy—readily understood when considering that a typical 15 barge tow carries the equivalent of 216 rail cars or 1,050 semi-trailer trucks and generates fewer emissions than the other modes. Our Nation's commerce is projected to increase by over 14 billion tons over the next 20 years. If our waterways handle just 10% of this amount, its volume would triple—assuming it remains a viable mode of transportation.

As to the impact on the central portion of our Nation, over 20 million bushels of winter wheat are shipped on the MKARNS by barge from Kansas and Oklahoma to the Gulf of Mexico at a cost per bushel that approximates the price of a first class postage stamp. Corresponding savings are realized for other commodities including project cargo that typically saves our shippers an impressive \$100,000 per barge load. Last, but not least, more than 8,000 direct maritime jobs have been created along the MKARNS between Muskogee and Tulsa, Oklahoma as a result of some \$5 billion of industrial investments. All of this is at risk if we do not adequately maintain our waterway—something that we are ready and willing to help with.

One important answer to the critical needs of our Nation's waterway system is to make sure the Congress passes WRDA bill in 2016 and that it commits to moving this important legislation every two years thereafter. The Congress made that commitment in WRRDA 14 and we are very appreciative of this committee's leadership and commitment in working to develop a WRDA this year. WRDA is critical to ensuring the reliability of the

system through a consistent and routine authorization process that identifies needed improvements to its existing infrastructure and to build upon the reforms adopted in WRRDA 2014.

I also recognize that adequate funding needed to maintain our valuable water resources infrastructure will continue to be a challenge. The Congress recognized this in WRRDA 14 through several provisions that allowed for alternative funding mechanisms, including a public private partnership model. WRDA 16 presents an opportunity to further enhance and improve those provisions, and I would strongly recommend that you direct the Corps to implement those provisions to enable us to work jointly with them to develop alternative forms of financing to overcome the current critical maintenance backlog that will insure the reliability and sustainability of the MKARNS and therefore our maritime ports. Given our ability to successfully work with our Corps Districts and Division, the partnership we have developed along the MKARNS may well serve as a model that can be looked upon nationwide.

Thank you again for the opportunity to be here today. I would be happy to answer any questions you may have and I look forward to working with the Committee as you develop a WRDA for 2016.
