

December 14, 2010

The Honorable Jo-Ellen Darcy  
Assistant Secretary of the Army (Civil Works)  
108 Army Pentagon  
Room 3E446  
Washington, DC 20310-0108

Lieutenant General Robert Van Antwerp  
Commander, U.S. Army Corps of Engineers  
Headquarters, U.S. Army Corps of Engineers  
441 G Street, NW  
Washington, DC 20314-1000

Dear Assistant Secretary Darcy and Lieutenant General Van Antwerp:

The undersigned organizations represent agricultural producers, processors and exporters that rely on the Mississippi River system. We share concern about recent comments made by the U.S. Army Corps of Engineers regarding the intent to change how the New Orleans District will address future funding for Mississippi River dredging. This new policy, as we understand it, consists of no longer allowing money to be reprogrammed to make up for dredging budget shortfalls. While the stated goal of remaining within the federal budget is admirable, this course of action fails to truly address the problem and could seriously damage our industry.

A modern and efficient inland waterways transportation system is vitally important to maintaining U.S. agricultural competitiveness in the world market. As the U.S. system – once a model of efficient infrastructure – continues to face delays and closures attributable to low drafts and crumbling locks and dams, our competitors are increasing expenditures on their own transport infrastructures, thereby eroding the competitive advantage long enjoyed by the United States.

The fact that the river and its tributaries comprise more than 14,000 miles of navigable waterways make it a natural distribution system that covers a wide stretch of the continental United States. About 413 million tons of domestic and international cargo is moved annually on the Lower Mississippi River. Louisiana ports exported about \$13.4 billion worth of agricultural products in 2009, including grain harvested in the Midwest and shipped via barge for export to world markets. Proper maintenance and modernization of that system is critical to the long term viability of U.S. agricultural exports.

The Obama Administration has set a goal of doubling exports within the next five years. To meet that goal, however, the United States needs to make wise investments in its export capacity and not restrict one of the most productive arteries of export and trade. We agree that the Corps-stated goal of forcing the District to remain within the federal budget is laudable. However, reprogramming is an important option that has been written into the process of Mississippi River maintenance and relied upon over time by the Office of Management and Budget, Congress and the Corps. Halting this process overnight negatively will impact navigation on the Mississippi River and will not correct the overarching budget issues. In addition, it is unfair to propose policy changes when it is too late in the session to adjust the Congressional budget process.

To keep this vital transportation artery functioning, we encourage the Corps to continue operating as it has in the past to reprogram funds to perform much-needed dredging activities. We also stand ready to work together with all parties to pursue a true and lasting solution. In addition, we would like to request a meeting with the appropriate Corps staff to discuss this issue in further detail.

We look forward to working with the U.S. Army Corps of Engineers to ensure that the Mississippi River system remains fully operational in the short-term, as well as the long-term.

Sincerely,

American Soybean Association  
Biotechnology Industry Organization  
Bunge North America  
Cargill, Inc.  
CHS, Inc.  
Gavilon  
National Association of Wheat Growers  
National Council of Farmer Cooperatives  
National Grain and Feed Association  
National Oilseed Processors Association  
North American Export Grain Association  
U.S. Grains Council