



BIENNIAL REPORT

Fiscal Years 2014-2015

*Compiled by the Arkansas Waterways Commission
for the Citizens of Arkansas, the Governor of Arkansas,
and Members of the Arkansas General Assembly*

Arkansas Waterways Commission

Asa Hutchinson, Governor

Gene Higginbotham, Executive Director

November 30, 2015

Office of Governor Asa Hutchinson
State Capitol Room 250
Little Rock, AR 72201

Dear Governor Hutchinson,

The Arkansas Waterways Commission is proud to present this review. The Commission has worked diligently and conscientiously within its authority and resources to maximize the benefits of Arkansas' commercially navigable waterways.

We hope you will consider the status, needs and future economic benefit of these precious natural resources as we work together to improve our state's economy.

Our Commission is the sole state agency charged with developing, promoting and protecting the commercially navigable waterways of Arkansas for waterborne transportation. The Commission coordinates and cooperates with various local, state and federal agencies in our efforts to develop our waterways as an important economic resource for Arkansas.

We welcome your comments and suggestions on how we can better use and develop this important natural resource to benefit all our citizens.

Respectfully submitted,



Travis Justice
Chairman

ARKANSAS WATERWAYS COMMISSION

The mission of the Commission is to develop, promote, and protect the commercially navigable waterways of Arkansas for transportation and economic development to benefit the people of Arkansas.

Authorizing legislation, responsibilities, and duties

Act 242 of 1967 established the Arkansas Waterways Commission. Act 414 of 1973 amended the Commission's powers and duties. The Commission's powers, duties and functions assigned by law are listed [HERE](#).

Funding

The Commission is funded by General Revenues. Through its Contribution line item, the Arkansas Waterways Commission supports the efforts of:

- Arkansas Waterways Association
- Mississippi Valley Flood Control Association
- Red River Valley Association
- Ouachita River Valley Association
- White River Valley Association



The Commission promotes economic development for ports on the five commercially navigable rivers of the state: Arkansas, Mississippi, Ouachita, Red, and White Rivers.

Federal Agencies that work with the Arkansas Waterways Commission



United States Army Corps of Engineers (USACE)

plans, improves, and maintains the inland river system to provide for flood control, navigation, and recreation. It operates most locks and dams on the inland waterways system. It also administers Section 10 and Section 404 federal permit programs.



United States Coast Guard (USCG)

is responsible for establishing navigation regulations, and operating and maintaining physical aids to navigation. Other responsibilities include search and rescue and enforcement of the Federal Water Pollution Control Act. The Coast Guard also administers the laws pertinent to the construction, operation and maintenance of bridges over navigable waterways.



United States Department of Transportation Maritime Administration (MARAD)

promotes merchant marine services to carry the nation's domestic waterborne commerce. MARAD administers a number of programs for the industry and undertakes research to support the industry.

Other Agencies - Environmental Protection Agency, controlling pollution and noise; the Department of Labor, administrator of the Occupational Health and Safety Act; and the United States Fish and Wildlife Service, which administers various laws regarding the protection of fish and wildlife resources.

COMMISSION

The Commission is comprised of seven commissioners appointed by the Governor to staggered, seven-year terms. Five commissioners represent each of the navigable rivers in Arkansas and two are at-large commissioners.



Joe Harris, of Osceola, represents the Mississippi River; his term expires 2021. Mr. Harris is a consultant/lobbyist on a national, state, and local level for counties, cities, and organizations. He serves on The Arkansas Delta Commission. He has served three terms as a member of the Arkansas House of Representatives and was Assistant Speaker Pro Tem.



Travis Justice, of Little Rock, serves as our chairman; his term expires 2016. Mr. Justice is Senior Economist for the Arkansas Farm Bureau Federation. He holds a master's degree in agricultural economics from Oklahoma State University. Professional affiliations include Farm and Ranch Club of AR, AR Forage & Grasslands Council, Ag Law Association, National Institute for Animal Agriculture, and the AR State Fair. Mr. Justice also serves as administrator of the AR Beef Council.



Gay Lacy, of Newport, represents the White River; his term expires 2017. Mr. Lacy graduated from Newport High School and earned a degree in Agronomy from the University of Arkansas at Fayetteville. Mr. Lacy retired after 28 years of farming his land in Newport along the White River. Mr. Lacy is a member of the Newport Economic Development Commission, the Newport Civil Service Commission and a past member of the Farmers Home Administration.



Paul Latture, of Little Rock, represents the Arkansas River; his term expires 2018. Mr. Latture is former executive director of the Little Rock Port Authority. He has an extensive background in economic development and chamber of commerce service. He is also a former member of the board of directors of the National Waterways Conference, Inc. of Washington, D.C., which supports wise management of the nation's waterways.



Judge Michael Loftin, of El Dorado, represents the Ouachita River; his term expires 2020. Mr. Loftin has been a business owner in Union County for 18 years and was member of the Junction City School Board, Lion Oil Community Advisory Panel, El Dorado Chamber of Commerce, Union County Fair Board, and Mount Union Baptist Church. He is past chair of the Union County Extension Council.



Harvey Joe Sanner, of Des Arc, serves at-large; his term expires 2019. Mr. Sanner is a third generation farmer who has been involved in farm policy since 1977. He is past president of the Arkansas Waterways Association, past board member of the National Waterways Conference, and currently serves on the White River Coalition.



William Varner, of Fulton, represents the Red River; his term expires 2015. Mr. Varner has been involved in efforts to expand navigation along the Red River from Shreveport, LA to near Texarkana, AR. Mr. Varner is co-owner of Fulton Farms. He has served as chairman of the Miller County Levee Board #2, president and board member of the Miller County Farm Bureau. He is active in the AR Cattlemen's Association.

FINANCIAL OVERVIEW

	FY 2012	FY 2013	FY 2014	FY 2015
(01) REGULAR SALARIES	111,795	155,373	154,774	156,289
(02) PERSONAL SERVICES MATCHING	32,578	48,555	49,126	49,917
(03) MAINT. & GEN. OPERATION				
(A) OPER. EXPENSE	43,879	43,879	43,879	43,879
(B) CONF. & TRAVEL	3,151	3,151	3,151	3,151
(C) PROF. FEES	0	0	0	0
(D) CAP. OUTLAY	0	0	0	0
(E) DATA PROC.	0	0	0	0
(04) STATE'S CONTRIBUTIONS	2,600	2,600	2,600	2,600
TOTAL AMOUNT APPROPRIATED	200,159	253,558	253,530	255,836

ARKANSAS WATERWAYS: Feeding the World from Mid-America

Cargo can be shipped from Arkansas' ports, to the Mississippi River, then to the Gulf of Mexico, and through the Panama Canal, to anywhere in the world.

Of America's 12,000 miles of inland waterways, Arkansas has more than 1,800 miles of commercially navigable waterways.

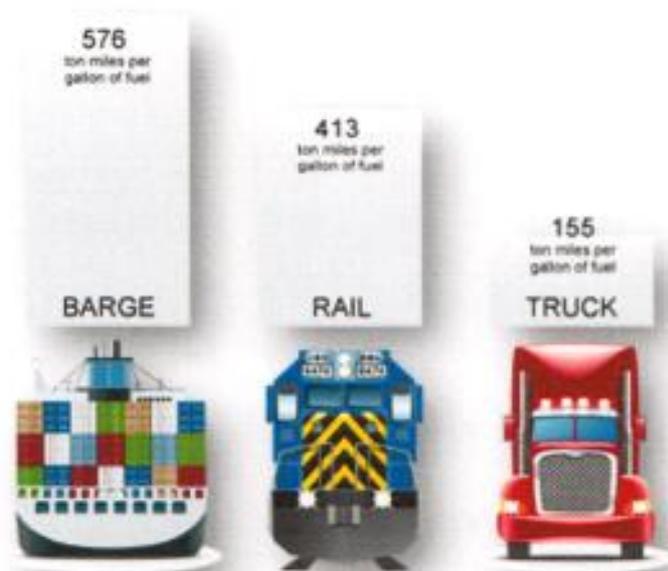


***Arkansas ranks 3rd in the nation
for inland river miles, but ranks
31st in cargo that is shipped.***

We can do more.

ARKANSAS WATERWAYS: An Economic Asset

Arkansas' waterways are underdeveloped and could help our state reach its full economic potential. Our state's waterways provide inexpensive, efficient, and environmentally friendly transportation of farm products, rock and sand, bulk metals, chemicals and other commodities.

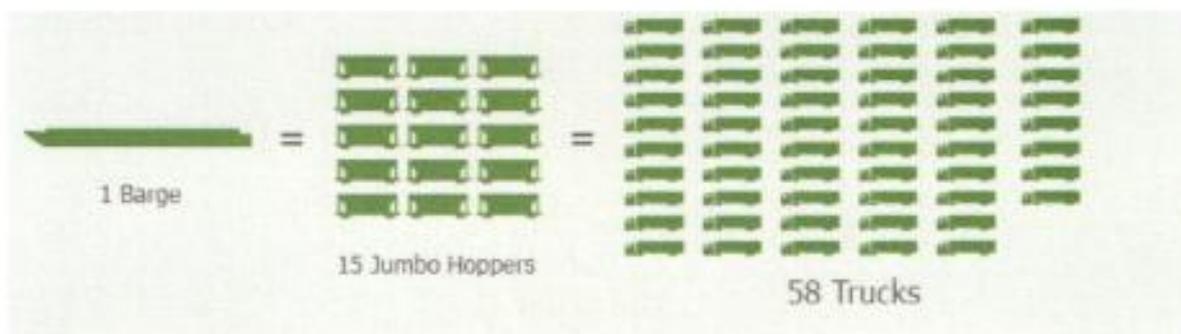


Barge transportation is the “greenest” form of transportation.

- consumes less fuel
- creates less pollution
- maximizes economies of scale

Rail and truck costs are lower in areas where waterborne transportation is available, which drives down prices for consumers.

The U.S. Department of Transportation estimates that freight volume is expected to more than triple in the U.S. from 2003 to 2020; waterborne transportation offers a way to meet shipping needs without further stressing our nation's highway system.



Waterways has a clear advantage over rail and trucking.

90th GENERAL ASSEMBLY LEGISLATIVE ACCOMPLISHMENTS



THREE RIVERS PROJECT

Act 659 *An Act to Make an Appropriation to the Arkansas Waterways Commission for General Improvement Projects (Three Rivers Study \$1.5M)* The Three Rivers Study was included in the Assistant Secretary to the Army's FY 2015 Work Plan and the project also received funding in the President's FY 2016 Budget. Most important in all of this great news was the fact the study received one of the

ten new starts designations given by the Corps. On July 9, 2015, the Arkansas Waterways Commission signed a cooperative agreement with the USACE Little Rock District.

RED RIVER PROJECT

Act 657 *An Act to Make An Appropriation to the Arkansas Natural Resources Commission for Costs Associated with the Red River Waterways Project* The Governor funded this project using general improvement funds of \$1 million and the Arkansas Natural Resources Commission received the funds for the project. The Waterways Commission worked closely with the legislature to get this passed.

ARKANSAS PORT, INTERMODAL, AND WATERWAY DEVELOPMENT GRANT

Act 1483 *An Act to Improve Transportation in Arkansas.* This act established the Arkansas Port, Intermodal, and Waterway Development Grant.

Act 1427 established a portion of an Ad Valorem Tax to fund the above grant. For 2016, the Commission received over \$1.2 million in grant requests and will grant \$450,644.42.



Act 855 *An Act to Require the Chief Fiscal Officer of the State to Notify the Executive Director of the Arkansas Waterways Commission When Funding is Available for the Arkansas Port, Intermodal, and Waterways Development Grant Program*

Act 166 *An Act to Re-Establish the Legislative Task Force on Intermodal Transportation and Commerce*

MKARNS ECONOMIC IMPACT STUDY – 89th General Assembly

ACT 609 established an appropriation in the amount of \$45,000 to the Mack-Blackwell Rural Transportation Center to conduct a regional economic impact study of the McClellan-Kerr Arkansas River Navigation System (MKARNS). The study was not funded by the legislature; the Commission worked with the Governor's Office and the Highway Department to secure funding. The study began November 2013 and was completed in November 2015. We are still waiting for a final report.



OTHER ACCOMPLISHMENTS



MKARNS M40 Corridor In 2014, the status of the MKARNS was upgraded from connector to corridor as part of US Maritime Administration's America's Marine Highway Program. Now the MKARNS has the same level of designation as all other major inland waterways.

NATIONAL WATERWAYS CONFERENCE

Little Rock was selected as the location for the 55th annual meeting September 2015. In attendance were the Hon. Jo Ellen Darcy, Assistant Secretary of the Army for Civil Works; Steve Stockton, Director of Civil Works, Headquarters, USACE; Col. Courtney Paul, Commander, Little Rock District, USACE, Major General Michael C. Wehr, Commander, Mississippi Valley Division, USACE and President, Mississippi River Commission.

