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Freight Transport on the Lower Snake River: A Declining Waterway of Negligible Use

In 1995 freight transport on the Lower Snake River (LSR) peaked at 9.16 million tons. By 2000 that volume had dropped to 4.52 million tons, and to just \$2.8 million tons in 2014. Over the past 20 years the volume of freight transported on the LSR has declined by 69%. Consider these related facts:

- The U.S. Army Corps of Engineers uses ton-miles to represent the value of a waterway for commercial navigation. A ton-mile represents moving 1 ton of freight a distance of 1 mile. A high use waterway transports 300-500 billion ton-miles each year. Any waterway under .5 billion ton-miles is considered a waterway of *negligible use*. The lower Snake River logs .3 billion ton-miles annually. If the river's 2014 freight volume were to double, the waterway would still remain in the *negligible use* category.
- Since 2000, container-on-barge traffic on the lower Snake River has declined by 82%, with more than half of that decline occurring prior to the great recession.
- Major regional industries have abandoned barge shipping. For example, Clearwater Paper, Lewiston Idaho's largest employer, is located 2 miles from the Port of Lewiston and exports paper and paperboard. CP now ships 95%-100% of its product by truck and rail. With several large sawmills in the region, the Port of Lewiston has not shipped any lumber for at least 7 years.
- Beginning with the Corps' 2002 *Lower Snake River Juvenile Salmon Migration Feasibility Report*, all projections of future levels of freight volume on the lower Snake have been vastly overstated. Even the 2009 *Washington State Marine Cargo Forecast* prediction of 0% growth from 2002-2030 has thus far proven to be overly optimistic.
- The cost of maintaining the LSR waterway is growing rapidly. The Army Corps of Engineers recently acknowledged an annual cost of \$7.6-\$12.6 million just for operation and maintenance of the waterway. In addition to normal M & O, sediment management planning and dredging recently cost over \$23 million for the upper part of the Lower Granite pool, with more sediment management implementation costs to follow.
- The Walla Walla District's claim in its 2014 Lower Snake River Sediment Management Plan that the lower Snake River waterway provides cost savings of \$8.45/ton is false. The District derived this figure by increasing by 3% annually a claimed transportation savings in the 2002 Lower Snake River Juvenile Salmon Migration Feasibility Report of \$5.75/ton. This latter figure was based on an earlier study of shipping volumes on the deep draft section of the Columbia downstream from Portland rather than on the shallow draft Snake River waterway. The 2002 report's transportation economics analysis violated Corps Guidance regarding the use of rates instead of

costs and was based on a highly overstated projection of future freight volumes. The report's transportation economics appendix was so flawed the Walla Walla District itself stated in the report that the results should not be used again without further refinement. The current use of this savings figure by the Corps, the ports and special interest organizations is unsubstantiated propaganda.

- A reanalysis of the 2002 Lower Snake River Juvenile Salmon Migration Feasibility Report demonstrates the Army Corps' Walla Walla District underestimated the average annual cost of keeping the lower Snake River dams in place by a staggering \$160.7 million.

The Snake River Project is economically unjustifiable and fiscally unsustainable. In addition to the direct taxpayer costs, the many benefits lost from maintaining this project—from vastly improved sports and commercial fisheries to alternate investment in a transportation system that can benefit a much wider range of businesses—make the early removal of the four LSR dams imperative.

