Testimony of Neil Maunu, Executive Director, Pacific Northwest Waterways Association

Before the Energy, Climate, and Grid Security Subcommittee of the Committee on Energy and Commerce titled,

"Exposing President Biden's Plan to Dismantle the Snake River Dams and the Negative Impacts to the United States"

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Chairwoman McMorris Rodgers, Chairman Duncan, Ranking Member DeGette, and Members of the Subcommittee; Thank you for the opportunity to provide this testimony. My name is Neil Maunu, and I serve as the Executive Director of the Pacific Northwest Waterways Association (PNWA). PNWA is a non-profit, non-partisan trade association that advocates for federal policies and funding in support of regional economic development. Founded in 1934, our membership has grown to over 150 entities and includes ports, public utilities, farmers, forest product producers, and public agencies that support navigation, energy, transportation, trade, and economic development throughout the Pacific Northwest.

A subset of PNWA membership, the Inland Ports & Navigation Group has been a defendant-intervenor in the decades-long litigation surrounding salmon and the Lower Snake River Dams. In an attempt to pause this litigation for 10 years, the U.S. Government recently submitted to the Court a set of commitments and actions (USG Commitments) negotiated in secret with the plaintiffs to embark on a pathway toward the eventual breach of the four Lower Snake River Dams (LSRD).

Numerous communities, the industries that call them home, and the people who live and work on this system are reliant on the current functioning of all eight of the federal infrastructure project navigation locks and hydroelectric dams that make up what is referred to by the Department of Transportation as; Marine Highway 84. Any change or impact to the benefits this system provides will have disastrous impacts, not just for the region but for the entire nation.

The USG Commitments are based on the "Delayed Mortality Hypothesis." This hypothesis is highly controversial and scientifically unproven. The NOAA Rebuilding Report–a policy paper advocating for dam removal–does not reflect a consensus within the scientific community and ignores the conclusions of the 2020 Final Environmental Impact Statement (FEIS) and Record of Decision (ROD). Moreover, the USG Commitments' goal of "healthy and abundant" salmon populations represents a new standard that lacks a clear definition and enforceable legal basis under the Endangered Species Act (ESA).

The USG Commitments and actions are based on unproven science, fail to consider the devastating regional and national economic impacts of dam removal, fail to align with transportation decarbonization goals, and ignore the impact on economically disadvantaged communities. These Commitments take attention away from the incredible impacts other strategies would have for improving fish habitat and increasing returns of all native fish, such as reintroduction, predator/competitor abatement, habitat access/restoration, toxic reduction, and improved hatchery and harvest operations. Furthermore, the impact of declining ocean conditions on salmon and steelhead populations has yet to be fully studied. Multiple runs of salmon from Alaska to Northern California have dwindled dramatically in recent years on river systems without locks or dams. This must be studied and evaluated. PNWA strongly supports and will continue to advocate for efficient, reliable, and environmentally sustainable waterways - we want to see salmon and steelhead populations thrive in concert with climate-friendly river navigation and water-borne commerce.

Benefits to the Nation

The LSRDs serve as a pivotal conduit for a substantial portion of our nation's agricultural commodities, streamlining the logistics of moving large volumes of U.S. goods like wheat and other grains to international markets. In 2022, the total commodity value of goods handled on the Columbia-Snake River System was over $27 billion, a testament to the economic driving force that this waterway adds to the United States as a whole. Ten percent of the nation's wheat moves through the four LSRDs. Should these dams be breached, we are looking at a chain reaction that begins with heightened transportation costs due to the need for wheat and other goods to be transported on pricier truck and rail systems. This shift will lead to increased costs for producers and consumers nationwide, distorting market prices and affordability. Not only would barging service be cut but the burgeoning river cruise industry would be wiped out, along with the millions of dollars and jobs they have brought many small rural communities upriver. The local economic impacts will reduce local tax revenue for schools, police services, and other local services by over $17 million annually. Attached is a recent report from Washington State University titled "The Importance of Columbia-Snake River Navigation to U.S. Agriculture" (https://ses.wsu.edu/the-importance-of-columbia-snake-river-navigation-to-us-agriculture/).

The U.S. Department of Transportation refers to the navigable channel on the Columbia-Snake River System as Marine Highway 84. This publicly owned maritime transportation network transports 60% of the nation's wheat exports - making it the nation's number one export wheat gateway. The System also exports a significant amount of Midwest-originated corn, soybeans, barley, and other grains. In total, over 33 million tons of grain is exported to customers overseas from the Columbia-Snake River System - these cargoes are transported via barge, rail, and truck to six export elevators on the Columbia River. Nearly 5 million tons of wheat are barged from Oregon, Washington, Idaho, and Montana to these export elevators on the deep-water portion of the Columbia River for export - this is over 10% of the nation's wheat production. Twenty-eight percent of Idaho's wheat ships by barge through the Lower Snake River. It is estimated that the loss of barging would increase national grain shipping cost by $0.20 - $0.40 per bushel (FCS 2020) or approximately $60 million per year. Because global factors determine the market price for grain, U.S. wheat growers are price-takers, not price-makers. A 7-8% cost increase for transportation is expected to bankrupt over 7,600 farms unless U.S. farm subsidies to our tri-state

region increase by $55M per year or $1.65 billion over 30 years. These types of farm subsidies would jeopardize trade rules established by the World Trade Organization. Removal of the LSRD is not just a regional issue but a national issue with global consequences.

As our agricultural community expressed to the USDA last year, eliminating barging would increase limited Class 1 railroad capacity demand and exacerbate an already tenuous supply-chain balance across all cargo classes. Such impacts would extend well beyond the Pacific Northwest by forcing rail companies to shift capacity and/or increase rates nationwide in response to the increased demand in the Pacific Northwest. The existing highway and rail network would need a capital investment of $1.3 billion to handle the timely delivery of the 5 million tons of shipments that currently move by barge each year. Further, there is insufficient highway and rail capacity to suddenly move all the goods that are moved by barge to highway and rail infrastructure. Permitting and building the necessary replacement infrastructure would not only be costly and a multi-year or decade-long process, but it may not be possible to construct due to the geographic constraints of the region.

As a nation, we have invested over $500 million into Columbia River grain export terminals in recent years, and barge unloading capacity has been expanded to bring the nation's soft white wheat (the best in the world) to markets in Asia and beyond. These investments have yielded economic benefits that are ten to twenty times that investment cost and continue to add value and return to the region and nation.

In addition to transporting commodities, the Lower Snake River welcomes over 30,000 cruise ship passengers each year. The Columbia-Snake River system is #2 in the nation for river cruises. Passengers worldwide fly to Spokane, WA, Lewiston, ID, or Portland, OR, to cruise up the Columbia & Snake Rivers. US-based cruise ship operators have invested millions of dollars in docking infrastructure and are currently executing plans to build more in all three states (OR, WA, ID). American Cruise Lines, which operates the majority of cruise vessels on this river system, continues to add to our nation's economic growth by building vessels at their east coast shipyard in Salisbury, Maryland, employing hundreds in east coast shipyards. This is just one example of this river system's far-reaching, positive impacts on our nation.

This river system moves more than grain and cruise ships. It supports a number of sustainable and eco-friendly industries by transporting renewable biofuels and wind energy components too large for our major roadways. It provides a highway for moving solid waste from populated areas to dry landfills where the off-gasses are collected as a raw material for renewable natural gas. Barges move U.S. Navy components from retired submarines upriver, where they are disposed of in an environmentally friendly manner. Agricultural inputs necessary for the region's incredible production are barged upriver for distribution to hundreds of farms.

We are proud of the large array of goods being handled safely and economically on our inland waterway to the benefit of the entire nation and, in fact, the world. The impacts of dam removal would disturb the entire supply chain. Redirecting the cargo currently shipped on the river would demand upwards of $1.3 billion in short-term infrastructure investments and shift significant burdens onto our highway and

railway systems, cutting off one of the two public transportation networks (river and road.) This fragments existing supply-chain networks and also imposes transportation inefficiency across the United States.

The current distribution of commodities moving out of the Pacific Northwest region to deep draft export ports is 90% barge and 10% rail. With the removal of the LSR locks, commodities will have to shift from efficient river barge to truck and rail. We can expect that the removal of the four LSRDs will increase transportation and related environmental costs in the U.S. by well over $7.3 billion over 30 years. Removal of the LSRDs would cause diesel fuel consumption to increase by nearly 5 million gallons per year as barges are replaced by less efficient truck-to-rail shipments. That increase in fuel consumption would produce the equivalent greenhouse gas emissions of adding one coal-fired power plant to the grid every 2-3 years.

The LSRDs play a vital role in the productivity of the Columbia Basin. Breaching these dams will devastate the nation's agriculture, economy, and communities. The irrigation water these dams provide covers 67,000 acres of cropland, an area with enough apples grown to feed 18.5 million people annually, sweet corn that can sustain 19 million people, and enough potatoes to feed 6.5 million people. Removing these dams would directly impact 7,600 farms in Washington, Oregon, and Idaho that depend on the Lower Snake River for irrigation. Farms irrigated by the Snake River generate $2 billion in annual sales, representing 15% of the regional workforce. The loss of irrigation would bankrupt many of these farms, resulting in employment and wage loss for thousands of families.

Transportation and Decarbonization

In February 2023, the Administration released its Blueprint for Transportation Decarbonization. It notes that maritime transportation (including river barging) accounts for only 3% of transportation-related emissions and that maritime transportation has the lowest emissions per ton-mile for freight. The Blueprint calls for actions before 2030 to "provide incentives to support greater use of efficient travel modes and vehicles…" Given that maritime movement of freight is the most environmentally efficient mode of transportation, we fail to understand how the removal of the four LSRDs could be consistent with this Blueprint.

Even if a shift from barge to rail and truck were feasible, increased reliance on truck and rail would increase to 23.8 million miles of travel per year on county, state, and federal highways, increasing net transportation costs substantially.[1]

Some of the impacts of such a shift are:

- Total truck transit times to move important agricultural products will increase by at least 408,262 hours per year;
- The expanded trucking activity will increase fuel costs, highway maintenance costs, terminal facility maintenance costs, driver time, and vehicle maintenance costs, to the tune of $63.6 million per year;

- The shift in ton-miles from barge to rail and truck will increase fuel consumption by 4.67 million gallons per year, thereby reducing our nation's ability to achieve energy independence; and
- Shifting commodity flows from barge to truck and rail will be devastating for our environment. Annual greenhouse gas emissions will increase, adding:
    - 860,000 additional tons of CO2 per year;
    - 306.5 additional tons of NOx per year;
    - 7.5 additional tons of PM per year;
    - 69.7 additional tons of CO per year; and
    - 7 additional tons of VOC per year.

PNWA's membership currently relies on rail shipping as well as barge transportation. Our membership was stunned when fertilizer manufacturers (of which our members depend a great deal) were told by Union Pacific to cut their shipments by 20% to reduce rail congestion - warning that "non-compliance" would result "in the embargo of its facilities."[2] The railroad told shippers it was sidetracking (parking) some of its own railcars on sidings until demand slowed. Former Deputy Secretary of Agriculture Bronaugh told the Surface Transportation Board of poor service and unreasonable rates from the top rail providers in the nation: "Farmers struggle to make ends meet, consumers pay higher prices at the grocery store, and the United States becomes less competitive on the global market."[3] Last summer, Agriculture Secretary Vilsack thanked the STB for cracking down on embargoes but stated, "rail service remains inadequate and unreliable for many agricultural shippers."[4]

Just two weeks ago, the entire Pacific Northwest was in a deep freeze weather pattern. Temperatures plummeted, energy demand spiked to record levels, and road and rail networks ground to a halt. But the river system–one of our nation's Marine Highways–remained open. Despite winds in excess of 100 miles per hour and sub-zero temperatures, the citizens of Oregon, Washington, Idaho, and beyond benefitted from tug and barge crews as they braved these conditions, diligently working to move cargo up and down the M-84 "highway."

The four LSRDs are critical assets in our nation's multi-modal transportation network, helping all sectors achieve efficient and economical operations.

Economic Impacts to Disadvantaged Populations

The social implications of breaching the dams are particularly distressing. The tri-state region most reliant upon these projects is home to just over 350,000 residents, where, according to the Census Bureau and White House Climate Justice Tool, a substantial portion of the community lives in economically disadvantaged communities. With regional households experiencing poverty above the national average at a rate of 16.5%. United Way indicates that 31% of the study region's households are Asset Limited Income Constrained and Employed (ALICE). The combination of poverty and ALICE measurements indicate that nearly half of the region's households are living "on the edge" — going paycheck to paycheck to make ends meet in light of housing, childcare, health care, and transportation costs. LSRD removal will increase unemployment and bankruptcies among these economically disadvantaged Americans.

Studies, like the attached report on Regional & National Impacts Triggered By Breaching Lower Snake River Dams, have predicted the potential job loss from LSRD breaching to be 15% of the region's employment, which implies a monumental negative shift in local GDP—potentially up to $1.5 billion annually. Additionally, expected reductions in property tax revenue of over $17 million per year threaten these communities' essential public services, including education, which disproportionately affect socially disadvantaged groups.

Road and rail infrastructure that would be required to replace barging, if achieved under current geographic and regulatory hurdles, will unnecessarily affect lower-income residences with land loss, increased noise, decreased safety, and increased exposure to greater levels of emissions from more highway and rail traffic.

Conclusion

The benefits of the Columbia-Snake River system stretch far beyond the Pacific Northwest. The system benefits folks in the middle of this country, and the benefits flow throughout the Pacific Rim and beyond. Billions of dollars in trade and commerce rely on a multi-modal, efficient, and carbon-friendly transportation system as well as world-class production of food for domestic and international markets To meet climate and decarbonization goals, the United States must maintain the critical infrastructure necessary to allow climate-friendly, efficient, and reliable modes of transportation to thrive. The livelihoods of our citizens are at risk - the most basic human needs could be out of reach to hundreds of thousands of residents who depend on clean power, sustainable jobs, and the social services supported by a robust economy and tax base. Removal of the dams puts resilience, security, commerce, and the welfare of American citizens at risk.

Thank you for the opportunity to share these concerns regarding ill-advised proposals to breach the four Lower Snake River Dams. Working together, we are confident we can improve fish returns without removing critical components of our nation's clean energy, transportation, and agricultural capabilities.

[1] FCS Report: Regional & National Impacts Triggered By Breaching Lower Snake River Dams: Summary of Transportation, Climate and Social Justice Concerns

[2] https://www.cfindustries.com/newsroom/2022/union-pacific-shipping-restrictions

[3] Surface Transportation Board Docket No. EP 770, April 26, 2022

[4] USDA AMS Secretary Vilsack Letter on Rail Service Issues, May 12, 2023