



Grain Transportation and a Free-Flowing River

Smart Investments Can Create Efficient, Affordable Grain Transportation Options Without the Lower Snake River Dams

The Northwest needs both our fish and our farmers for a healthy economy – and we don’t have to choose between the two. American Rivers supports assuring that farmers retain an affordable, efficient transportation system for their products while at the same time restoring salmon and steelhead to self-sustaining, harvestable levels.

Scientists say that restoring a free-flowing lower Snake River must be part of any successful plan to restore Snake River salmon and steelhead to healthy, fishable populations. But dam removal would close the lower Snake River to barge transportation – which many farmers in the inland Northwest depend on to ship grain to lower Columbia River ports. Fortunately, there is a solution that can work for farmers, inland Northwest businesses, and salmon: improving the region’s rail infrastructure so that rail and Columbia River barge (see adjacent table) – which already move many of the same commodities that move on the Snake River – can affordably and reliably accommodate the goods that currently move down the lower Snake River.

Transportation Mode	Today	After Dam Removal
Rail	57%	71%
Snake River Barge	25%	0%
Columbia River Barge	16%	27%
Truck ⁱⁱ	2%	2%

This fact sheet draws on the best information available to show that wheat and barley growers can continue to have an efficient, affordable transportation system without barging grain down the lower Snake River. A 2003 analysis by BST Associates, an independent transportation consulting firm, concludes that goods currently moved by barge can feasibly move by rail if the upgrades it identifies are made. In addition, a transportation package passed by the Washington State Legislature is providing \$33.5 million for the public purchase and rehabilitation of eastern Washington’s short-line rail system, which is a key part of replacing the lower Snake River barge system. Based on information from the BST study, the state short-line funding, and information from Dr. Ken Casavant, a transportation economist at Washington State University, the table below provides an estimate of what it would cost to upgrade the rail system to affordably and efficiently move grain without lower Snake River barges.

Necessary Transportation Infrastructure Improvements

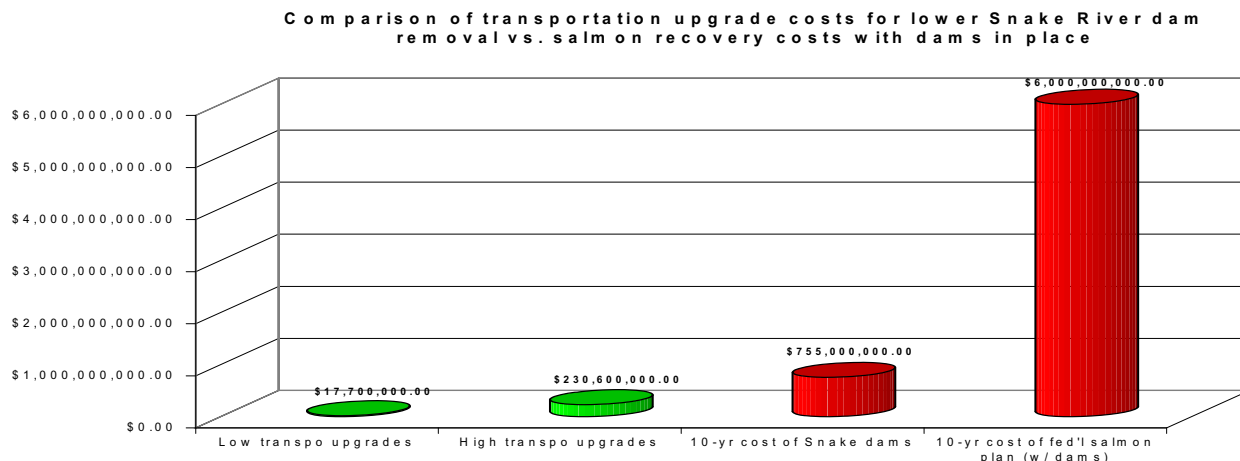
Upgrade area	Low Cost	High Cost
Rail improvements ⁱⁱⁱ	\$6.1 million	\$28.9 million
New railcars ^{iv}	\$0	\$40 million
Rail elevator capacity upgrades ^v	\$11.6 million	\$130.9 million
Columbia River barge elevator capacity upgrades ^{vi}	\$0	\$30.8 million
TOTAL (one time cost)	\$17.7 million	\$230.6 million

For more information, please contact Michael Garrity at (206) 213-0330 or visit www.AmericanRivers.org

Comparing Transportation Improvement Costs to Ongoing Salmon Recovery Expenses

For perspective, the costs of ensuring a cost-effective and efficient transportation system for farmers are lower than the costs associated with current salmon recovery efforts in the Columbia and Snake River Basin. For example, the U.S. Army Corps of Engineers is in the process of spending \$755 million on the dams between 2003 and 2013 – \$365 million simply to operate and maintain the dams and their fish passage systems, and another \$390 million to install expensive devices at the dams that only marginally improve salmon survival – and similar annual costs are likely to continue after 2013 if the dams remain in place. The low-end estimate of \$17.7 million for transportation infrastructure upgrades is only 2% of that total. Even the high-end estimate of \$230.6 million is only 30% of what the Army Corps expects to spend on the dams just ten years.

For all Columbia Basin salmon recovery efforts, the numbers are even more dramatic. The General Accountability Office found that through 2001, more than \$3.3 billion had been spent on salmon recovery efforts in the Columbia Basin, with few results to show for it. Since that report, we have spent about \$3 billion more on salmon, and by 2007 we will have spent a total of about **\$7 billion** over 30 years – and Snake River salmon are still declining. The most recent federal salmon plan is forecast to cost an **additional \$6 billion**, yet it forecasts continued salmon declines. It would be much more biologically effective and cost-effective to upgrade regional railroads and remove the lower Snake River dams.



We Don't Have to Choose Between Affordable Grain Transportation and a Healthy River

The BST study forecasts that removing the dams and upgrading the rail system would likely raise grain shipping rates by 3 to 7 cents per bushel, for an annual impact of between \$3.6 and \$8.9 million for all grain shippers currently using the lower Snake River (\$2.5 to \$6.9 million annually for Washington farmers), and between \$7.1 and \$13.1 million per year for all goods currently shipped downriver.^{vii} American Rivers believes that any increases in shipping costs should be paid by the federal government with savings from reduced salmon recovery costs post-dam removal. In addition, the BNSF Railway has stated that it currently has the capacity to move 94% of the grain produced in Washington to market, and that it could bring the grain moved on the lower Snake to market in a manner “fully competitive with existing transportation requirements.”^{viii}

ⁱ Lower Snake River Transportation Study (BST study), BST Associates, 2003, p. 65

ⁱⁱ “Truck” means truck only – if a truck is used to transport grain to rail or barge, the transportation mode is considered rail or barge.

ⁱⁱⁱ These costs are derived by using cost-estimates developed by BST Associates and subtracting \$26.1 million from the BST numbers to account for the fact that the state of Washington has set aside \$26.1 million for short-line rail upgrades that would help replace the lower Snake River barge system. See BST study, p. 63. For more information about Washington State rail projects, see <http://www.wsdot.wa.gov/projects/rail>. We have converted numbers from the BST study into 2004 dollars.

^{iv} BST study, pp. 61-62. Mainline railroads may be able to reallocate some rail cars from existing fleets at no cost.

^v The low cost here comes from the BST study. The high end cost is half the cost the BST report projected would be needed if existing elevators are unable to handle *any* increased amounts of grain. Because there are many rail-served elevators in the region that are either underutilized or not currently in use (BST study, p. 51), we feel the range presented in this fact sheet is realistic. Dr. Casavant of WSU has also stated that the lower end of BST’s rail elevator upgrade range is likely most realistic.

^{vi} BST study, pp. 62-63. Cost depends on whether existing elevators in the Tri-Cities area of Washington can handle increased amounts of grain.

^{vii} BST study, p.5

^{viii} BNSF analysis, 2003.