

Tennessee-Tombigbee Waterway Development Authority
Agency Number: 483-00



Tennessee-Tombigbee Waterway Development Authority
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Five Year Strategic Plan Fiscal Years 2025 - 2029

Comprehensive Mission Statement

Statement and Purpose: The mission of the Authority is to realize the economic development potential of the Tennessee-Tombigbee Waterway to its four-state impacted region, including Alabama, Kentucky, Mississippi, Tennessee. These benefits include industrial development, commerce and trade, recreation and tourism, & small business development.

Statement of Agency Philosophy

Values and Principals: The Authority is a four-state interstate compact comprised of Alabama, Kentucky, Mississippi, and Tennessee. Members include the state governors and five appointees from each state. Quarterly meetings of the members are held within the region for the purpose of providing policy guidance and overall supervision of the compact's administration and finances. Daily operation of the agency and its staff is supervised by the Administrator. Mississippi Governor Tate Reeves is currently serving on the Board of the Authority for his term of office.

Relevant Statewide Goals and Benchmarks

Statewide Goal #1: To develop an economy in the northeast Mississippi counties along the Tennessee-Tombigbee Waterway that will provide productive job and investment opportunities for employment for all Mississippians.

Relevant Benchmarks #1:

Economic Impact 1996 – 2013 (in Millions)

	<u>Direct</u>	<u>Indirect</u>	<u>Induced</u>	<u>TOTAL</u>
Mississippi	\$6,874.7	\$1,333.0	\$1,276.6	\$9,484.3

Employment Impact 1996 – 2013

Mississippi	12,145	7,858	13,440	33,443
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Labor Income Impacts 1996 – 2013 (in Millions)

	\$772.3	\$772.3	\$396.7	\$1,941.3
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Tax Revenue Generated (in Millions)

	<u>Federal</u>	<u>State</u>	
	\$372.9	\$285.3	\$658.2

Note: Our most current Economic Impact was prepared for the Tennessee-Tombigbee Waterway by Mississippi State University (NSPARC) along with four other universities including, The University of Tennessee, The University of Southern Mississippi, The University of Alabama, Auburn University and the University of Kentucky. An Appalachian Regional Commission grant has been applied for to accomplish a new economic impact study to be completed in 2023.

Statewide Goal #2: To ensure that current and future generations have access to the state's abundant natural resources through waterways, tourism including fish and wildlife by using wise development of its resources.

Relevant Benchmarks#2:

Estimates of populations of invasive species, by species

There are problems with water hydrilla or hydrangea around the lakes on the waterway making entry into some of the marinas difficult. This is seasonal and the Corps is attempting to control this issue.

Measures of condition of the state's marine species

The Authority will continue to secure funding of the wildlife mitigation acreage in Mississippi consisting of 36,761 acres or 62.5 square miles of land and water predominately used for hunting deer, dove. Quail, rabbit, squirrel, wild turkey, and ducks. The Mississippi Department of Fish and Wildlife also manages another 46,911 acres of lands that are located off project at Nanih Waiya, Ward Bayo, Twin Oaks, Mahannah and Okatibbee Wildlife Management Areas. The waterway has an abundance of lakes in northeast Mississippi used for popular bass tournaments and crappie. Campsites, swimming, picnic facilities, nature trails and boat ramps and much more are also available. The total square miles (acres) along the waterway managed by the Mississippi Fish & Wildlife Service through its wildlife mitigation plan is funded by the U. S. Army Corps of Engineers.

Asian Carp

Asian Carp is an invasive species that is entering the Tenn-Tom Waterway via the Whitten Lock from the Tennessee River Basin and Bay Springs Lake. Asian Carp could potentially damage local economies, cause loss of recreational activities, and cause environmental damage. Through the efforts of the TTWDA, the US Congress authorized a Carp barrier to be installed on the TTW, location TBD. The TTWDA is working with the USFW, TVA, and the USACE to determine next steps.

Overview of the Agency 5-Year Strategic Plan

Waterway-related commerce and trade continue to grow as the economy improves due to positive regulatory, tax, and trade policy changes. Enviva Biomass has announced a new wood pellet manufacturing plant on the TTW at the Port of Epes, AL, which will add 1,000,000 tons of cargo to the TTW. Steel Dynamics Inc. continues to ship/receive 800,000 tons of metal per year. This will increase to over 1,000,000 tons per year. Additionally, Aluminum Dynamics, Inc. has announced a new aluminum project in Columbus MS, which has the potential to add tonnage to the TTW. The Port of Aberdeen has received \$4,000,000 in grants from the US Department of Transportation for port improvements, including rail and roads. This will allow local companies to utilize the Port of Aberdeen and increase usage of the TTW. Currently, the TTW is being considered for steel and wood projects. The waterway continues to have significant economic impacts on for the member states of Alabama, Kentucky, Mississippi, and Tennessee and the Southeast.

Benefits from the waterway recreational attractions have begun to increase with over 2.5 million visitor-days of recreational activities each year. These visitors sustain small businesses and jobs in local communities.

The Authority is the only Mississippi agency that devotes all its resources to the development of the waterway and its impacted area. Much of the waterway's economic benefits can be attributed to the Authority's efforts. Achievement of these much-needed economic benefits continue to be restrained by the global economy and affected by energy prices, especially in the case of heavy manufacturing.

Commerce and recreational activities should continue to rebound as the economy improves. The Authority's goal is to restore past losses and further increase its benefits to Mississippi and the region as follows:

- Increase commercial traffic on the waterway from current levels of 6.7 million tons to 7.5 million tons.
- Secure an additional \$1 Billion of waterway-related development above the current \$42.5 billion already attracted to the waterway corridor.
- Attract 2.5 million visitors of recreational and tourism use to the Tenn-Tom annually.
- Ensure the U.S. Congress appropriates sufficient funds to properly operate and maintain the Waterway.
- Influence the enactment of federal laws and regulations that will ensure more balance between continued economic growth and environmental quality.

These goals are ambitious and will require the close cooperation and support of state and local development agencies as well as the federal government. The attainment of the waterway's projected benefits is dependent on an improved economy. Success is also directly related to sufficient federal funding for the operation and maintenance of the waterway and adequate funding to the authority from the four states. The states of Alabama and Mississippi have retained an appropriations level to the Authority that will enable the agency to increase its marketing program.

The Tennessee-Tombigbee Waterway, unlike highways and rail, has surplus capacity for transporting increased volumes of commerce in the future. Use of the waterway to ship containers which is currently being pursued by the some of the Mississippi ports on the Tenn-Tom, break-bulk, and other products and commodities not traditionally shipped by barge would help greatly to relieve congestion and gridlock on highways and greatly improve safety and environmental conditions.

The waterway has now been in operation for 38 years (1985-2023). It has had a profound impact on the local and regional economies. More than 1.2 billion-ton miles of commerce is shipped each year at annual savings in transportation costs to shippers approaching \$100 million. During these three decades, no investments other than normal maintenance have been made in the waterway to improve its transportation efficiency. As fuel costs increase, carriers are looking for new technologies and changes in equipment to increase payload. A move already started is building super-size barges that have deeper drafts.

For the Tenn-Tom to be a viable part of the nation's waterway system, it will need future improvements to accommodate changes in technology and equipment being employed by the industry. The Authority will continue to work with the US Corps of Engineers, the US Congress and others to initiate the necessary studies, research, and investigations to determine the economic feasibility of undertaking such improvements. This will require a protracted planning and approval process.

On-going efforts to work with the Alabama and Mississippi deep-water ports and others including shippers to begin containers-on-barge shipments on the Tenn-Tom is being greatly accelerated by ports in Mississippi on the Tennessee-Tombigbee Waterway. A new \$300-million container port opened in December 2008 in Mobile, Alabama which will greatly increase the flow of containers from the Gulf to the Tenn-Tom region via waterway, road, and rail.

In the past, the US Congress has not appropriated sufficient funds to adequately operate and maintain the Tenn-Tom. Thanks to strong congressional support, the Tenn-Tom has received ample appropriations recently that have eliminated most of the backlog of critically needed repairs to the waterway. The Authority will continue to devote those resources needed to work closely with the US Congress to maintain sufficient funding for the waterway and prevent a maintenance backlog from accumulating in the future.

The Tenn-Tom Waterway continues to provide services to shippers and prospective users of the waterway to facilitate the movement of more commerce on the waterway.

As funds become more restrictive and the Corps of Engineer's ability to properly operate and maintain the waterway lessens, coordination of commercial navigational problems and issues between the shipping industry and the affected federal agencies (U.S. Coast Guard and the U.S.

Army Corps of Engineers) will increase in importance. Review and coordination of regulatory issues will become more important in order to preclude any additional unnecessary constraints or problems on the waterway's use and development.

The Authority's goal is to capture the full economic and trade potential of the Tenn-Tom Waterway in Mississippi and the region as described below.

- Increase commercial traffic on the waterway from the current level of 1.1 billion Ton-miles to 2 billion ton-miles within the next ten years.
- Secure an additional \$1 billion of waterway-related development above the current billions of dollars already having been invested in the waterway corridor.
- Ensure the U.S. Congress appropriates sufficient funds to properly operate and maintain the waterway.
- Ensure enactment of federal laws and regulations that will provide more balance between continued economic growth and environmental quality.

These goals are ambitious and will require the close cooperation and support of state and local development agencies as well as the federal government. The attainment of the waterway's projected benefits is most dependent on an improved economy. Success is also directly related to sufficient federal funding for the operation and maintenance of the waterway and adequate state funding.

External/Internal Assessment

- The conditions of the national and international economies govern the opportunities for investments, especially industrial relocations and expansions and the levels of commerce and trade especially that by heavy manufacturers.
- Availability of capital needed for private investments in recreational and tourism facilities will determine whether continued growth in waterway-related visitation occurs.
- Continued financial contributions by the Authority's four member states.

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- A shift in financial responsibilities for O&M of inland waterways from the federal government to the states of users as has been proposed would seriously affect the viability of the Tenn-Tom. Over \$27 million of federal funding is required each year to maintain the Tenn-Tom Waterway.
- The South, including the Tenn-Tom area, will continue to be unfairly affected by the federal listing of species for protection until the Congress reforms the Endangered Species Act to stop these abuses.

Agency Program Goals.

Goal 1 – Attract 2.5 million visitor days of recreation and tourism use.

Goal 2 – Increase tonnage on waterway to 6.5 million tons annually and to support the creation of additional jobs and investments on the Tenn-Tom Waterway.

Program Goal Objectives

Goal 1 – To increase visitation on Tenn-Tom Waterway to 2.5 million by 2024.

Goal 2 – Increase marketing budget to promote recreation and tourism.

Limited funds have greatly restricted the Authority's marketing activities, including its advertising program. However, the agency continues to respond to approximately 5,000 requests received each year from the public for information about the waterway and its impacted region. These inquiries do not include over 50,000 "hits" the waterway's website and the Facebook "Likes" of over 7,500 receives each year for information, including available port services and industrial sites for development. Our goals for the next five years include:

- Increase public inquiries, through our marketing efforts, by 10% annually.
- To measure our promotion and marketing activities, the Authority would like to increase our marketing budget and placement by 25% annually.
- We would like to increase the number of inquiries by 10-20% each year. This may be a direct result of our increases in promotional and marketing budget efforts.
- Attract 3 million visitors of recreational and tourism use the Tenn-Tom annually.

Goal 3 – Increase annual commerce on Tenn-Tom Waterway to 7.5 million by 2029.

- Work with industries to ship via waterway in lieu of alternate methods of transportation.

Goal 4 – To create new jobs and investments in the waterway corridor.

- To increase new jobs and investments in the waterway corridor to 1,200 by 2029.
- To work with local, regional and state economic developers to increase job creation and investments.

Program Objective Strategies

We will continue to work with port operators, shippers and other interests to establish a dependable and cost-effective containers-on-barge service at Ports on the Tenn-Tom that will enable Mississippi's manufacturers and other businesses to be more productive and competitive for global markets.

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- Secure an additional \$1 billion of waterway-related development above the current billions of dollars already invested in the waterway corridor.
- Ensure the U.S. Congress appropriates sufficient funds to properly operate and maintain the waterway
- Ensure enactment of federal laws and regulations that will provide more balance between continued economic growth and environmental quality.

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