



July 11, 2022

The Honorable Patty Murray
Senator, Washington
154 Russell Senate Office Building
Washington, D.C. 20515

The Honorable Jay Inslee
Governor, Washington
PO Box 40002
Olympia, Washington 98504

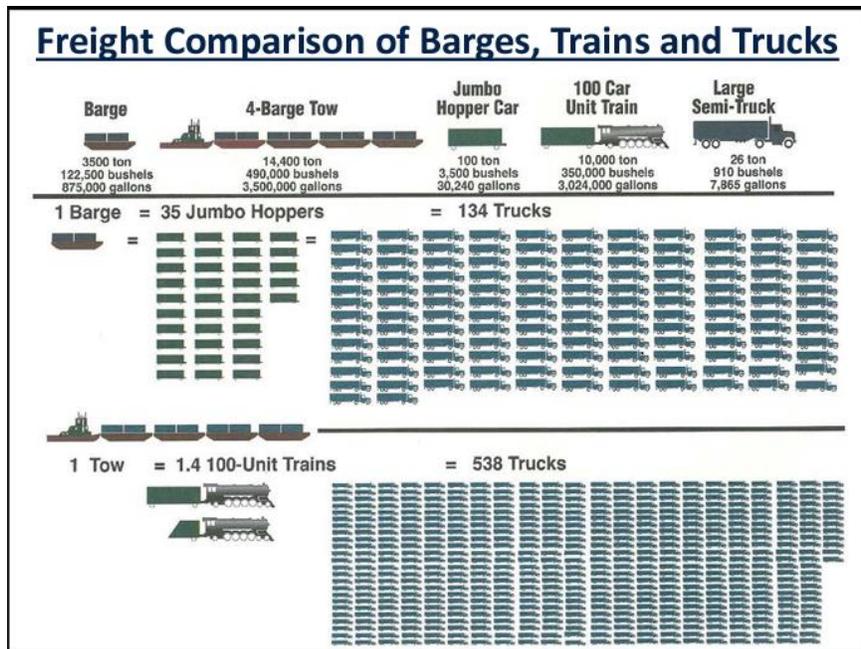
RE: Lower Snake River Dams Benefit Replacement Draft Report

Dear Senator Murray and Governor Inslee:

The recently released [draft report](#), conducted by Kramer Consulting and Ross Strategic at your behest, raises serious concerns from the National Association of Wheat Growers (NAWG). NAWG is a federation of 20 state wheat grower associations and other industry partners that works to represent the needs and interests of wheat producers before Congress and federal agencies. Based in Washington, D.C., NAWG is grower-governed and works in areas as diverse as federal farm policy, trade, environmental regulation, transportation, and sustainability.

NAWG questions many of the baseline assumptions argued in the draft report, which is incomplete because of the many key variables that cannot be quantified. The Lower Snake River Dams (LSRD) are a critical infrastructure system required to move U.S.-grown wheat to high-value markets around the world. Breaching the dams would have serious economic consequences for producers and grain handlers while contradicting carbon reduction goals.

NAWG strongly supports and recognizes the sustainability and reliability of wheat transportation by barge. The Columbia Snake River System is an essential part of a logistical web that moves over half of all U.S. wheat exports to more than 20 Pacific Rim countries and encompasses some of the largest U.S. wheat buyers in the world. More than 10 percent of all U.S. wheat exports move through the LSRD system. Wheat farmers move grain most efficiently by using the waterway in place of rail or truck, while also reducing greenhouse gas emissions. As an example, one four-barge tow moving wheat carries the equivalent of one and a half 100-unit trains or 538 semi-trucks. This is demonstrated in the graphic below that can be found on the Pacific Northwest Waterways Association (PNWA) website.



The LSRD provide critical needs for wheat farmers, grain handlers, merchandisers, and millers. The draft report clearly outlines the benefits enjoyed by grain handlers: “barging is the lowest-cost option (per ton-mile) for wheat shipping, an additional benefit for Pacific Northwest producers, as they operate on narrow cost margins and use barging to maximize their profit per bushel.” Shifting the current volume of wheat and other grains moving via barge on the LSRD over to rail or truck is not a viable and straightforward solution as portions of the draft study imply. Rail and truck cost significantly more on a per bushel basis, have significantly higher carbon emissions, and in many situations, sufficient alternative rail and truck routes do not exist, in addition to shortfalls rail car and truck driver availability.

An excerpt from the draft report outlines the literal costs to farmers: “One of the most significant transportation impacts connected with LSRD breaching is shipping costs. Several studies cite shipping prices during scheduled lock outages for maintenance between December 2010 and March 2011 and found that during the outage, over 90 percent of the grain by volume was shipped by rail and that shippers experienced a nearly 40 percent increase in shipping and storage costs.” This example shows that railroads will use their power to raise rates when other alternatives, like the river system, are unavailable.

The U.S. competes with six other primary wheat-exporting countries. According to the Foreign Agricultural Service (FAS), the U.S. is the third-largest wheat exporter in the world. However, for the U.S. to remain competitive with other wheat exporting nations, export prices must remain competitive. Inland transportation costs are a primary factor in determining the competitiveness of U.S. wheat. Using barges to ship grain is one of the most efficient and cost-effective ways that U.S. wheat farmers stay competitive. One example of this can be seen in the Port of Lewiston, which is a critical inland port for wheat production and exports in the U.S. Its placement on the Snake River allows farmers in Idaho and other states to barge their wheat efficiently and affordably, ensuring farmers receive a fair price for their wheat, while also maintaining U.S. wheat’s international competitiveness.

All wheat production zones in the U.S. would be impacted, not just those in close proximity to the LSRD system. The U.S. rail system has some severe issues with service and reliability, and in recent years, tariff costs to move wheat have steadily increased. Adding more volume to the system would raise costs for all farmers and lead to a decline in service for a significant portion of all U.S. wheat producers. This would directly impact U.S. wheat's global competitiveness as an export market.

As demonstrated in the previous graphic, transporting wheat by barge is an environmentally friendly alternative to rail and truck hauling. One four-barge tow can move as much grain as 144 rail cars or 538 semi-trucks. Removing the dams would not only remove clean hydroelectricity but would mandate significantly higher carbon emissions as grain handlers are forced to rely on railroads and semi-trucks for long-haul delivery to export facilities in Portland and elsewhere. Further, the increased infrastructure needs would be immense. The increased traffic on rail lines would require creating new routes and laying down new track, which, if considered, would require a lengthy permitting process for construction to proceed and no guarantees of comparable rates or service requirements. The increased truck traffic on roads and highways would have a severe impact on the durability and quality of roads, creating the need for new repairs, new roads, or both, while likely increasing concerns about road safety.

The draft report provides no sincere considerations for alternative freight, and what suggestions it does make are unrealistic. While railroads and trucks compete with barge companies to move grain, farmers and grain handlers would be held captive without barges.

NAWG supports the Columbia Snake River System and will continue to emphasize its importance in serving wheat buyers worldwide. Breaching of the dams on the LSR would have a devastating economic impact on wheat production and market competitiveness, not just in the Pacific Northwest Region, but nationally, while also adding another hurdle to moving grain overseas in a time of growing fears of world hunger.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Nicole Berg', with a long horizontal flourish extending to the right.

Nicole Berg
President
NAWG