

be a big impact,” a University of Minnesota farm extension specialist said. “We’re losing three weeks of shipping out of the Gulf. [Now with] lost barges, we’ve got grain backed up with the disruption of rail service in the entire Gulf Coast area.” These realities have already led to a 43% hike in river freight charges, from a pre-Katrina \$23 a ton to \$33 a ton.

To avoid future hobbling of our food, fuel, commodities supply chain, and commerce in general, infrastructure redundancy must be built back into our economic backbone. Upgrading the interface between U.S. inland waterways, ports, and the rails requires full Federal funding of the U.S. Army Corps of Engineers and the Marine Transportation System to ensure critical dredging and intermodal connector projects, and the upgrading of our inland waterways, locks, and dams.

Since the halt of the post-Civil War plans for Reconstruction of the South, and with the 1960s post-industrial turn away from a production-based economy to one of consumerism, more and more the Gulf Coast region was left to poverty. Now in the aftermath of Katrina, the nation has the great task of building its future infrastructure.

Interview: Gary P. LaGrange

‘Category 5 Levees Should Have Been Built’

Gary P. LaGrange, a New Orleans native, has been Executive Director and CEO of the Port of New Orleans since 2001. Previously, he was the Executive Director of the Mississippi State Port Authority at Gulfport from 1999-2001, and of the Port of South Louisiana in 1997. In each of these positions, he initiated state-of-the-art capital improvement projects, upgrading these Gulf Coast ports. LaGrange was interviewed by Mary Jane Freeman on Sept. 14.

EIR: *EIR* has promoted infrastructure development for 30 years. Unlike a recent *New York Times* op-ed complaining that too much money is available to the U.S. Army Corps, *EIR* has called for fully funding the Corps to ensure that it can do the job.

LaGrange: God bless you. Tell that to OMB!

EIR: What is the extent of damage, the state of ongoing repair; and more important, what projects were planned that should have been done, and how should the nation be thinking about what needs to be done at the ports in the Gulf Coast?

LaGrange: Well, first and foremost, was that years and years ago, models were done, time and again. It was just a question of dodging the bullet for all these years and waiting for the

mother-lode to come. What should have been done, is Category 5 levees should have been built, first and foremost. Had that happened, chances are that *none* of this would have happened. That not being the case, we have a heck of a rebuilding effort on our hands, which is probably going to cost a heck of a lot more than the levees would have cost in the first place. We [the Port of New Orleans], as a result of this storm Katrina, the damages that we have—we’ve sent in a very pre-preliminary report to Congress which shows a \$1.7-plus billion need for building the port back to where it was.

Starting Sept. 15, engineering surveyors, three different teams, will split the port into three, to get an expeditious assessment of the actual damage. It will be a week-long survey of damages, destruction assessment, and also stolen, lost, or pilfered items that are missing. . . .

EIR: What are the projects that were on the drawing boards?

LaGrange: Well, there is a project that was authorized before I was even shavin’, and I’m 59 years old. That is the Inner Harbor Lock on our Inner Harbor. It is a \$700 million project. When that lock is complete, the significance of that is that all of our businesses on the Inner Harbor will be able to lock through into the Mississippi River and not have to use the MRGO [Mississippi River Gulf Outlet] ever again.

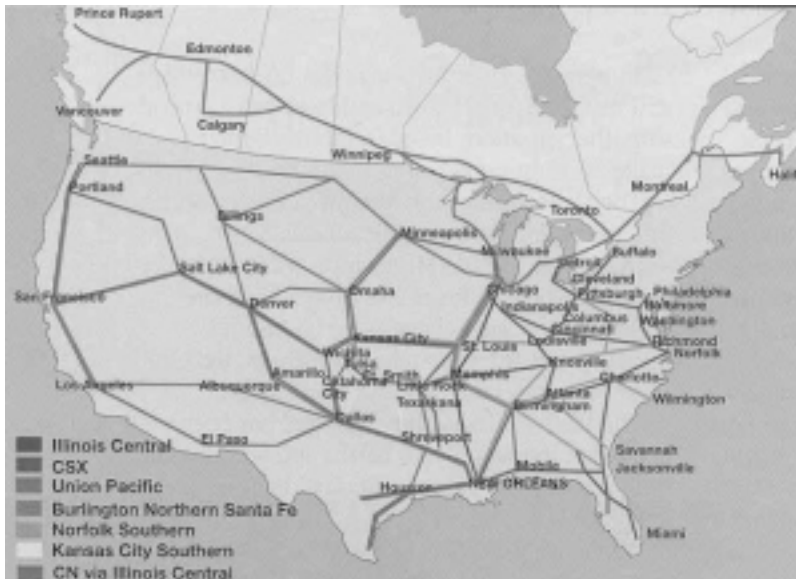
The advantage is that the Mississippi River Gulf Outlet requires a lot of maintenance and a lot of dredging to keep it open. So that is dollars saved. Why would we not take the \$25 million, or whatever million dollars a year, that they are putting into dredging and maintaining the MRGO, and escalate the funding and financing for the lock? That would be a *huge* step in the right direction. Because every year we have to face the same old thing: The administration zeros out the project. Then we march back into Washington, spend an infinite number of hours before the House and Senate energy and water subcommittees, before all the other sundry committees—finance, appropriations—meeting again with General Strock. Over, and over, endlessly, like the way of the cross. It is never-ending. . . .

It is ridiculous. It is the damnest thing I’ve ever seen. Now they take \$60 million that is appropriated for the Olmsted Lock and Dam, and they zero the Inner Harbor lock and dam out. And then what do they do? They add \$30 million. They take our money and put it on Olmsted. I want to tell you, I was a young port director and I testified for Olmsted 20-some odd years ago. Well, it still isn’t built, and neither is ours.

EIR: Right, and Olmsted should have been built about 10 years ago—

LaGrange: Of course. General Strock—and I love General Strock—he tells me, “Gary, what they’re doing is a new philosophy. The Corps is trying to get a better image, trying to get a few finishes. So in order to do that, we’re gonna have to rob your money and other projects to finish the ones that are closer to being finished.”

That isn’t helping me, you know.



In contrast to the sparse remaining railroad infrastructure of the surrounding states and most of the country, New Orleans has six major rail heads (five shown on this map). These rail heads have been very seriously damaged by Hurricane Katrina and neglect of the city's storm defenses.

EIR: You have to make capital investments in infrastructure so that you create the margin of efficiency.

LaGrange: Right. I couldn't agree with you more. By the way, of that \$1.7 billion in our pre-preliminary estimate, \$600 million of that was for the Inner Harbor lock. So that is how significant it is for the port. It was the number-two public works project of the Army Corps in the country. For the life of us, we can't figure out why it isn't anymore.

EIR: Was that one that had a big environmental lawsuit against it?

LaGrange: There was an environmental lawsuit against it, and we won.

EIR: So the \$600 million in your \$1.7, is that for damage done?

LaGrange: No, that is to finish the project, to get it done. It is authorized. Funds have been appropriated. Construction started in 2002. They are trying to build it by funding \$25 million a year. Yet, every year the administration zeros it out. We wind up with maybe a compromise of \$11, 12, 13 million a year. Well, at that rate it is going to take 50 years—50 more years.

EIR: Yes, and all the up-river locks will have rotted by then, because they won't have repaired or replaced them either. What else needs to be done at the port?

LaGrange: We need to shore up the damages. We have some substantial damage to the lower area of our port, the down-river portion. Our port is divided into basically two areas, up-river and down-river, and then the CBD area. The latter is primarily our cruise ship area.

The down-river area, which constitutes 30% of our port activities, is really devastated. It was inundated with seven to eight feet of water, some wind damage, and so on. We've got the largest container carrier in the world located down there, Maersk. We've got to take care of them. New Orleans Cold Storage is down there. That is the second-largest exporter of chickens in the United States, to Russia and the Ukraine. They have 5 million pounds of chickens rotting down there. So that needs to be rebuilt. . . .

Our container facilities uptown, the new sophisticated \$120 million Napoleon container terminal, had minimal damage—only damage to the cranes and to the buildings, the transit sheds, moderate wind damage. So that is the part of the port that is up and running a lot quicker.

EIR: Ok. What kind of rail infrastructure do you have coming into the port, and is it sufficient?

LaGrange: We have more rail heads, trunk line one rail heads, than any other port in America. We have six. They go out like spokes in a wheel. So we call ourselves America's most intermodal port. The reason for that lies in large part, of course, in the Louisiana Purchase, 201 years ago. The reason Thomas Jefferson bought the real estate from Napoleon to begin with, was to gain access to the port of New Orleans. The port serves 62% of the consumer-spending public of America. Why? Because it is on the Mississippi River, and it and its tributaries are 15,000 miles long, and basically span into 33 states. That said, that is exactly why the railroads came in here, and are located here, because it is the gateway to America for the most part.

EIR: Are your rail connections functioning at this time?

LaGrange: No, they are very beat up from the hurricane. Unfortunately, I don't have a good handle on how bad they are. I couldn't begin to tell you if it is going to take a month, three months, six months for them to build back.

EIR: Any other projects that should be thought about for the port?

LaGrange: A lot of the Asian cargoes are requesting more space here New Orleans, as they have other places on the ports of the East Coast. So we are going to build. We were ramping up to build a new \$100-plus million Napoleon phase-2 container terminal, which would give us a capacity of about 750,000 containers in the port. Now we are not, historically, a container port. We are a break-bulk operation. We are the largest steel, rubber, plywood and wood products, coffee, London metal exchange-certified precious metals handler in the United States.