

An aerial photograph of a wide river flowing through a lush, green forested area. In the upper portion of the image, a tugboat is pulling a long, narrow barge. The barge is red and appears to be carrying several large, dark-colored objects, possibly logs or industrial materials. The water is a deep blue-grey color, and the surrounding land is covered in dense green trees. The text is overlaid on the upper half of the image.

# The Tennessee-Tombigbee Waterway

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Twenty Years of  
Economic Progress  
- And Still Counting!

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After 12 years of construction, the long anticipated completion of the Tennessee-Tombigbee Waterway was finally realized on December 12, 1984. The waterway opened for commercial navigation the following month. This was the culmination of the dreams of many generations for a connecting navigation link between the eastern Gulf of Mexico and mid-America.

Since then, the Tenn-Tom has helped generate a full spectrum of benefits that have contributed much to the economic well being of the nation and improved the quality of life for those citizens living in the waterway corridor.

## Commerce and Trade

Water transportation is the most energy efficient, environmentally compatible and safe mode to transport large volumes of raw materials and bulk type products long distances. An average of about 8 million tons or 1.3 billion ton-miles of commerce has been shipped annually in recent years on the Tenn-Tom. These producers, manufacturers, and shippers save an average of about \$90 million annually in reduced transportation costs. These savings help greatly increase productivity and make these U.S. businesses much more competitive in a global economy.

Many industries that do not ship on the Tenn-Tom likely enjoy reduced rail or truck rates because of the availability of another competitive mode of transportation. A recent study conducted by Marshall University found that companies or shippers with access to a



## Industrial Development

fully developed multi-modal transportation network realize reduced shipping costs by as much as 20 to 25 percent compared to those businesses that are captive to more limited transport options. An official with the Alabama State Docks stated that some rail rates in the Tenn-Tom region immediately dropped by as much as 15 to 20 percent when the waterway opened for commercial traffic.

Lower barge rates also help greatly expand the markets of a region's natural resources, commodities, and products, especially those of low values. Examples include forestry products, coal, ores, and sand and gravel.

Another benefit to shippers that is most unique to the Tenn-Tom is that some carriers operating between the Midwest and the lower Mississippi River region return empty barges to inland destinations via the slack water route offered by the Tennessee-Tombigbee instead of fighting the swift currents of the Mississippi River.

An anecdotal study, conducted in 2001, found that some \$2 million in reduced transportation savings (mainly reduced fuel costs) are realized by those carriers that use the Tenn-Tom instead of the Mississippi River to return empties. The study was based on a snapshot of actual operating experiences by the towing industry at the time of the study. These transportation savings will continue to grow as fuel prices increase.

Although not included as a congressionally authorized purpose, one of the most significant regional benefits of navigation projects is the economic impact resulting from induced industrial development. Waterways that provide cheap barge rates and available water supplies attract industries, such as chemicals, paper and pulp, steel processes, and heavy manufacturing. As a result of the Tenn-Tom, these investments have created many new jobs in a region whose economy has historically lagged far behind the rest of



the nation. Plants that typically locate on a waterway need highly skilled labor and pay higher wages which help improve per capita income and standards of living.

Based on data submitted in 1994 by a small percentage of waterway users, a study conducted by two Alabama universities found that industrial development induced by the Tenn-Tom has helped create some 33,000 new

jobs. Personal income has increased by nearly \$1 billion. Since that study was completed, major industrial investments in the waterway corridor, such as SteelCorr, IPSCO Steel, and others have likely doubled the estimated employment and compensation impacts caused by Tenn-Tom.

## National Security

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The Tennessee-Tombigbee Waterway provides a safe route for transporting Delta IV rockets built by the Boeing Corporation at its plant near Decatur, AL, to launch sites in California or Florida. The waterway serves a crucial role in the security and defense of the United States by safely transporting these



rockets for the U.S. Air Force and for other strategic uses. The waterway has also helped facilitate other deployment operations by the military, such as those by the 101st Airborne Division at Fort Campbell, KY.

## Environmental Quality

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The Tennessee-Tombigbee was the first large public works project constructed under the National Environmental Policy Act enacted by the U.S. Congress in 1969.

It demonstrates how a complex project can be built in an environmentally compatible manner.

Water transportation is the most environmentally friendly mode. Since it is the most energy efficient, barge transportation greatly reduces air emissions compared to truck or rail. For example, nitrogen oxide emissions would increase 3 times if the Tenn-Tom shipments were transported by rail and 19 times if shipped



by truck. In the cases of hydrocarbons and carbon monoxide, these emissions would increase 7 and 9 times, respectively, if the waterway tonnage was moved by truck.

One gallon of fuel can move a ton 514 miles by barge compared to 202 miles by rail and 59 miles by truck. The waterway reduces fuel consumption by as much as 20 million gallons annually compared to shipping the Tenn-Tom commerce by truck and by more than 4 million gallons each year if moved by rail.

Barges are also the safest of the three modes. Death and injuries associated with truck and rail are up to ten times more prevalent than for water transportation.

# Recreation and Tourism

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The Tenn-Tom's \$50 million in modern facilities have attracted 2.6 to 3.0 million recreational visitors each year since it opened. Camping, boating, and other leisure activities contribute about \$52 million to the local economy and directly support about 1,500 jobs along the waterway. According to an economic model developed by the National Park Service the total economic impact of these activities likely approaches \$150 million annually proving that recreation and tourism is big business.

**Pleasure Boating.** Most all large pleasure boats on seasonable trips between the upper Midwest and the Gulf Coast, or those on



extended cruises, use the Tenn-Tom instead of the longer and more hazardous route of the Mississippi River. These transient boats have done more to foster new marina development and modernization of existing yacht basins in the South than anything else. A study completed in 2002 by Horseshoe H Consulting, Inc., found that these boaters contribute about \$5 million in additional spending in the local communities along the Tenn-Tom. These impressive impacts are similarly felt in the Mobile Bay area as well as along the connecting Tennessee River.

More and more, boaters are finding that the Tenn-Tom corridor has many of the amenities found in Florida and along the Gulf Coast but at much lower prices and out of the potential threat of hurricanes.

**Sport Fishing.** The waterway offers some of the most productive sport fishing found anywhere. A national sports publication listed the Tenn-Tom as one of the "top ten" bass fishing spots in the country. About 100 bass tournaments are held each year, including several major events that attract more than 100 boats. Some of the major tournaments are televised on cable TV, providing national exposure for the waterway's sport fishing attributes. The larger tournaments generate as much as \$500,000 in additional sales for a local community during the weekend of the event.

**Wildlife.** The Tennessee-Tombigbee Wildlife Mitigation Project is recognized as one of the most successful of its kind in the nation. Authorized by the U.S. Congress in 1986, some 180,000 acres of public lands in Alabama and Mississippi are intensively managed as wildlife habitat to mitigate against losses incurred during the waterway's construction. Included are 88,000 acres the Corps of Engineers acquired from willing sellers at a cost of \$93 million. Over 90 percent of these lands are bottomland hardwoods, the most desirable habitat for native species. The States of Alabama and Mississippi manage some 126,000 acres of the project on a reimbursable basis while the Corps is responsible for managing the remaining habitat. These lands are open to the general public for hunting and other uses, such as bird watching and hiking.

# Municipal and Industrial Water Supply

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One of the most pressing issues facing the nation, including the South, is maintaining sufficiently affordable water to meet future demands for a growing population and an



expanding economy. The supply versus demand conundrum is exacerbated by the public's lack of support to build more storage reservoirs for better conservation of this resource.

Waterways with a system of regulated locks and dams offer supplemental water supplies for municipal and industrial uses provided these withdrawals do not adversely affect navigation or the other congressionally authorized purposes of the federal project. Such uses also require state approval.

Some 45 million gallons per day of water are authorized to be withdrawn from the Tenn-Tom and nearly that much more has been proposed for future uses. The current withdrawals provide processing water for a \$750-million paper mill and supplement supplies for Lee County, MS—one of the fastest growing areas in the South. The county's economic developer has stated, "You've got

to have water for growth." He further reported there had been an increase of 14,376 new jobs in the region because of the increased water supply from the Tenn-Tom. This new employment generates nearly \$500 million in additional personal compensation. Water and its availability equates to jobs, economic prosperity, and improved quality of life.

## The Future

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The Tenn-Tom Waterway is now a permanent and important component of the region's infrastructure and is an established feature of its geography. It will continue to generate benefits for many generations to come. The level of those economic impacts will depend upon the health of the regional, national, and global economies and a financial commitment by the federal government that it will adequately maintain the project.

As fuel costs increase and highway congestion approaches gridlock conditions, waterways are expected to carry an increasingly larger share of the two-fold increase in trade predicted for the U.S. by the end of the next decade. Much of this new business will be shipments not now typical for barges, such as higher value products and containerized cargo. Containers-on-barge and movement of automobiles, farm equipment, and other manufactured products are now commonplace on European waterways.

The availability of capital for private development of recreation and tourism facilities will also greatly dictate future growth of the waterway's leisure industry and these kinds of benefits.



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