

United States Senate on May 23, 1968. This proposed modification is presently before this Committee for consideration.

The District Engineer has estimated that the improvements and modification to the existing waterways can be constructed at a cost of \$1,300,000, exclusive of \$20,000 for aids to navigation. He has estimated that the annual average benefits will be in the sum of \$495,000 resulting in a benefit cost ratio of 7 to 1.

To permit you to quickly familiarize and orient yourself with the area involved and its present industrial development, we have caused a current aerial photograph of the area involved to be made and will also submit additional photographs and charts reflecting progress in the area which has taken place subsequent to the report prepared by the District Engineer.

Exhibit 1 reflects existing waterways and the area of the proposed modification. The modification is for a depth of 36 feet and a bottom width of 250 feet. You will observe that we are dealing with a very limited area where modification and improvements are proposed. The area involved is from the juncture of the Mississippi River outlet in the Michoud Canal which is shown on this photograph at this point. It proceeds easterly along the Intracoastal Waterway for a distance of approximately one and one-half miles to the junction of the Michoud Canal which runs in a northerly direction for a distance of approximately one and one-half miles. The proposed modification includes the construction of a turning basin at the northern end of the Michoud Canal.

I direct your attention to the photograph which we identified as Exhibit 1A. Please note on this photograph that the plant of Air Reduction Company which appears in the 1965 photograph appended to the District Engineer's report has now been completed and is in operation.

A plant has been constructed by the Dundee Cement Company at this point, subsequent to the study by the District Engineer.

The property owned by Louisiana Materials Company, a subsidiary of the American Marine Company, is presently being used as a storage area; however, the long range plans of this corporation include the construction of a yard for the building of barges, ships and other vessels.

Pratt Farnsworth has moved its construction yard from another location in the City of New Orleans to its Michoud site here.

I now submit for your consideration Exhibit 2 which is a colored aerial photograph of the Air Products and Chemicals Plant looking in a westerly direction. This photograph shows a portion of the Michoud Canal and lying directly opposite the Air Products Plant on the opposite canal is the NASA Michoud facility.

I submit Exhibit 3, a colored aerial photograph of the Air Products and Chemicals Plant looking in a northeasterly direction. This photograph discloses the facilities originally constructed by Air Products and Chemicals to service barge and other forms of water transportation from its Michoud Plant. These facilities are being continuously improved.

In the extreme upper right hand corner you may observe a portion of the spoil area with respect to which Air Products has granted a spoil disposal right-of-way or easement. In the upper left hand corner it discloses a portion of the property with respect to which Air Products has granted a right-of-way or easement for the construction of the turning basin.

Exhibit 4 is a colored photograph of the Air Products and Chemicals Plant during its operation at night and is submitted as evidence of the continuous operation of this plant.

The concept of modifying the Intracoastal Waterway and the Michoud Canal to provide deep water transportation to that area was originated by several of the industries which had located or planned to locate facilities on the Michoud Canal. One of the originators of this project, Air Products and Chemicals, Inc., of Allentown, Pennsylvania, produces at its plant gaseous nitrogen which it delivers to NASA at Michoud and liquid hydrogen and oxygen which it delivers to NASA at its Mississippi test site and other points of use. Although several locations were available and were considered by management for the location of this plant, the Michoud site was finally chosen because it offered the prospect of deep water transportation at some time in the future which would permit Air Products to expand its plant so that it could manufacture fertilizers, principally anhydrous ammonia, urea, phosphates, potash and nitrogeous fertilizers which it could ship directly to domestic and foreign markets. If deep water transportation is available to Air Products at its Michoud plant, Air Products will be able to offer for sale fertilizers produced at this plant at materially reduced prices to consumers because of substantial transportation savings. At the present time, in many instances, these products must be handled twice, first