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**Chad Chancellor:** Welcome to this week's episode of the Next Move Group We Are Jobs podcast. I'm happy to have Mitch Mays with us today. He's with the Tennessee-Tombigbee Waterway. So, Mitch, thank you for being with us.

**Mitch Mays:** Thanks, Chad. It's always good to see you.

**Chad Chancellor:** Yes and so, I know years ago, I studied a little bit about the Tenn-Tom. It was really built in the name of economic development if you go back to the history. It was probably one of the big projects at the time that the federal government had invested in in the name of economic development. So, take us back. Tell the folks where the Tenn-Tom runs and really what it is and what's the history behind it.

**Mitch Mays:** Well, I'll just start out with the history. Going back to the early 1700s, French fur traders had recognized that the Tennessee River was not that far from the Tombigbee River, which comes as far north of Mississippi as Tupelo. And so there had been talks and plans about connecting that in some manner whether it be road or trails or waterway. Go forward to the end of the 1700s, the revolutionary war, George Washington of course, was a surveyor and that was one of the things that they had noted is that if they could connect those two inland waterways, there was another viable route for trade going through the port of Mobil. Well, nothing ever happened with it.

After the civil war, there were more plans talked about. They did some engineering studies and they decided that it was possible, but they never authorized the creation of the waterway. After the end of World War II, it got a little more serious and eventually, Congress authorized the creation of the Tenn-Tom Waterway, but did not appropriate it, which as you know is a big deal with Washington. You can authorize something and not appropriate money. It's going to sit there for years.

So, then in the 60s-- well, late 50s, the Tennessee Tombigbee Waterway Development Authority, the organization I'm the administrator of, was created and they started advocating really hard for the building of the waterway. It was authorized, but not appropriated. So, it started a decades-long push to build the waterway. So, Congress eventually appropriated money to build the waterway and construction started in 1971.

Money had started flowing in the late 60s under the Johnson administration and then the Nixon administration is the one that kind of pushed it over the top. So, they started building it in 1971. It was finished in 1984. The first commercial traffic started in 1985.

**Chad Chancellor:** I didn't realize it was that young.

**Mitch Mays:** Yes. It's a young waterway. We're very fortunate because the locks and dams on our waterway-- I'll use a comparison and say Chattanooga, for instance, they have the Chickamauga lock and dam. It's over 100 years old and it's crumbling and falling apart. Our locks and dams are less than 50 years old and still has a lot of life left in our locks and dams. So, we're very fortunate. Now, we do have some of our own issues with the waterway, but locks and dams is not one of them unless a barge breaks loose and hits a lock.

**Chad Chancellor:** So, where-- because I got my start at Mobile working for the Mobile Chamber. I can't remember. Where does the Tenn-Tom actually start? I know it's up north of Mobile because down there it's the Tennessee River.

**Mitch Mays:** Right, right. The waterway itself, the main part of the waterway connects the Tennessee River near Pickwick which is up around Tishomingo County, Iuka and connects to the Tombigbee River down to Demopolis and what they did is they did build a canal up in the northern part. That's what they call the Divide Cut and then the canal section which is further down into Tupelo. They started straightening out parts of the river to make it easier for commercial traffic to navigate the waterway.

**Chad Chancellor:** And so, your office is where?

**Mitch Mays:** My office is in Columbus, Mississippi.

**Chad Chancellor:** And Columbus has had all kinds of success and a lot of it is because of Joe Max Higgins, but I'm sure having this doesn't hurt; I mean this kind of infrastructure.

**Mitch Mays:** Joe Max does a great job and we try to support him as best as we can.

**Chad Chancellor:** Well, talk about some of the recent developments. I know even north of there there's car ramp. Is it served by the Tenn-Tom or do you get off--

**Mitch Mays:** Well, parts of the county is.

**Chad Chancellor:** Okay. So, talk about some of the economic impact of the Tenn-Tom. I'm sure you all have studies look at it.

**Mitch Mays:** Well, we have had studies done and we're actually working on a new study with Mississippi State that we hope will be completed this year, but the economic impact is in the billions of dollars per year. I don't have the figures right here in front of me, but it's in the billions of dollars per year in business and industry, capital investment and then, of course, the payroll, we're looking at about 2 billion dollars per year, somewhere in that neighborhood that's produced annually, which I think is higher now. Our study was completed in '15, so it's old.

**Chad Chancellor:** And this is mostly in rural places. Were you thinking about where it was?

**Mitch Mays:** Well, the waterway was created to be in a rural place to help those rural areas of Tennessee and Kentucky and Mississippi and Alabama. I always remind people that the inland waterways were the first interstates. I think people forget that sometimes. That cargo and traffic moved by waterway because we didn't have roads like we do now.

**Chad Chancellor:** Right. Well, I was-- of course, the listeners know I live in New Orleans and so I was at an event the other day and heard folks talking about the effect of tariffs on the waterways. So, you can certainly, I'm sure, speak to that.

**Mitch Mays:** Well, that's something that we've been keeping a close eye on and the tariffs have had a two-fold effect on inland waterways, obviously, with China tariffs on grains; soy, in particular, coming from the United States. That's had an effect on waterborne traffic. So, not as much grain is moving by waterway and that's not just our waterway.

It's the Mississippi primarily because I think it's about 80% of all grains move on the Mississippi River. So, it's affected us a little, but not as much as the Mississippi River, but where we have seen a significant positive impact is steel companies in particular. There are a couple of steel mills on the waterway. They're doing really well. The tariffs have actually increased their sales.

So, not only are they bringing in more raw scrap by barge, they are also sending out their finished product by barge too because these coils-- a coil of steel, for instance, can weigh up to 50 tons and you can only put one on the truck or two on a rail car, but they can load up a barge and send it to wherever. So, they have done well with the tariffs.

The other big thing that we're seeing an increase in growth on is wood pellets and those are not made for American consumption. These wood pellets are made to send to Europe because Europe has a carbon tax and they have mandatory emission regulations. They can't use coal and natural gas, so they use wood pellets and so Mississippi is the breadbasket of the United States-- the wood basket I should say and so, they are making probably close to a million tons a year now and I do anticipate that going up because there are some other companies looking at the waterway to put these wood pellet manufacturing in place.

**Chad Chancellor:** I remember a few years ago, wood processing seemed to be down and out. Now, I'm seeing these projects everywhere. I'm sure that's good for Mississippi.

**Mitch Mays:** Right. It's great for Mississippi and it's not just the waterway-- the Tenn-Tom Waterway that's going to have a positive result of this. This is going to be statewide. In fact, I think Alabama will probably pick up some things. I'm hoping Tennessee does too. Kentucky is kind of a different animal. Paducah-- we kind of consider our territory to be from Paducah into Mobile--

**Chad Chancellor:** Yes, in Paducah, I used to go to your conference.

**Mitch Mays:** Right.

**Chad Chancellor:** I remember I was on the list.

**Mitch Mays:** You should come back. Our conference is August 27 through the 29 of this year. So, we'll be down at Point Clear again for the 25<sup>th</sup> year.

**Chad Chancellor:** It's one of my favorite places at Grand Hotel.

**Mitch Mays:** And so, we have a large presence of folks from Kentucky and Kentucky is one of our strong members. Governor Bevin is going to open the conference for us this year. He's been very involved with the inland waterway system. Kentucky is blessed to have some really good waterways; the Ohio, the Cumberland and the Tennessee all come together to go to Mississippi. So, they are the confluence. They have a lot of business up there. So, I anticipate particularly with forestry products, I think you will see some more things in Tennessee, in Mississippi in particular and also Alabama.

**Chad Chancellor:** How have you all done with the flooding? So, we're recording this for folks just so you know in early August at the SEDC Conference in New Orleans and we got high water down here. I know a lot of places do. You all were built so recently. Do you fair differently with that or how have you all faired?

**Mitch Mays:** Well, earlier this year I guess the end of February beginning of March, we had a significant flood issue which this is all been building since November of last year after I spoke with the Corps of Engineers and spoke with the climatologist and the weather people from National Weather Service and they explained to us that this was not just one event. It was actually a series of events that built to one crescendo if you will that caused our issues, but around the beginning of March, we had a significantly bad flood. We had some bad weather, a lot of rain and what happened is the creeks and tributaries emptied into the channel of the Tenn-Tom to the point where there were some places on the Tenn-Tom you could walk across the channel by foot. Two places, in particular, but it caused shoaling pretty much up and down the waterway.

So, the good news is Tenn-Tom has been open for a couple of months now. The Corps has been working really hard to get all those places fixed. So, the Tenn-Tom is open. There are still some places where it's narrow and the Corps is fixing that and we should be back to what we say normal around December of this year. So, yes, it caused a big drop-off in our tonnages, obviously, and it did have a really negative impact on business and industry, but fortunately, we are able to work around it and still support them.

**Chad Chancellor:** Well, I can't let you get out of here-- So, I met Mitch probably-- I don't know 15 years ago when I worked for the Mobile Chamber and he was the economic developer in Alabama. So, I know you're a big Alabama football fan and like I said, we're recording this in early August. This probably won't go out till September. October season will already be started. So, what kind of season do you think you all are going to have? We'll be able to test you in the middle of it.

**Mitch Mays:** From what I've been reading in here and this is a revenge year for Alabama, so I think everybody just better watch out.

**Chad Chancellor:** Yes. I can understand that. I totally understand that. Well, Mitch, thank you for spending a few minutes with us today. We really appreciate it.

**Mitch Mays:** Thanks, Chad. I appreciate it. Good to be here.