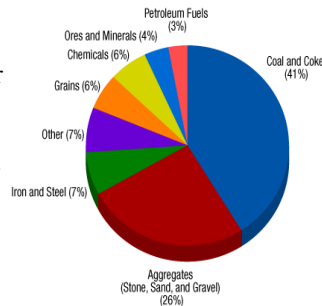


## Commodities

### What's Shipped on the River

About 50 million tons of goods move up and down the Tennessee River every year. Anything that is transported in bulk quantities—the raw ingredients that go into many consumer products—make a good candidate for shipping by barge.



The Tennessee River provides the least expensive form of transportation for dozens of Valley industries that either produce or use raw materials. For example, commercial navigation makes it possible for east Tennessee to be a major distribution center for fertilizer, road salt, and asphalt that moves upriver by barge. Zinc mines in Jefferson County, Tennessee, depend heavily on barge transportation to deliver zinc to customers down river.

Major commodities shipped on the north Alabama segment of the river include inbound coal, grains, scrap iron, and petroleum products; commodities shipped from this area include chemicals, and rolled of flat-tened steel. North Alabama's poultry industry owes its existence in large part to the availability of grains that can be transported cheaply by barge from the Midwest.

## Cargo Handling

### Ports and Terminals on the Tennessee

River freight is handled at approximately 160 public and private-use terminals at locations across the Valley. The public use terminals are equipped to handle a broad range of commodities and actively solicit business from a variety of shippers. Private-use terminals are designed for the specific needs of their owners and are usually equipped to handle one kind of commodity, such as coal, grain, or liquid chemicals.

The location of ports is determined by centers of industrial activity. The busiest of these urban ports is Decatur, AL. Decatur handles over 5 million tons of river freight annually, almost half of which consists of grains moving inbound to be processed into food pro-

ducts and animal feeds. Atlas and Delta Rocket components are shipped by river from Decatur for use in the nations space program.

Other major port areas in the Valley include Paducah and Calvert City, KY; Florence and Guntersville, AL; and Chattanooga and Loudon-Lenoir City, TN. Commercial navigation connects these areas in ways that are critically important to the region's economy, allowing industrial customers direct access to inexpensive shipping.



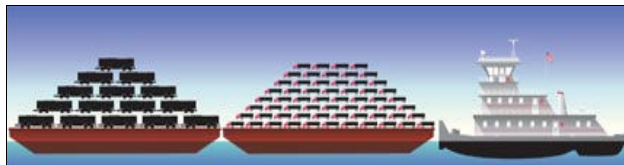
## Economic Significance

### Benefits to Shippers, to Consumers, to the Valley

The economies of water transportation are clear; products that are made from commodities shipped in bulk quantities would cost more without the option of river transportation. The river's availability as a competitive transportation option also helps to keep truck and rail prices down.

Navigation has contributed to the economic and industrial development of the Tennessee Valley as a whole. Substantial investments have been made in waterfront plants, terminals, and distribution facilities along the river. These industries provide direct employment for many thousands of valley residents. Thriving river traffic is a key ingredient in a healthy economic future for the region.

TVA rate-payers also benefit from navigation. The 20 million tons of coal delivered by barge to TVA fossil plants each year result in a significant savings over shipping the same amount by rail—helping to keep generation costs (and electric bills) low.



*Because one barge can transport as much cargo as 15 rail cars or 60 tractor-trailers, waterway transportation benefits the environment. It reduces fuel consumption, air pollution, wear and tear on highways and bridges, and makes the roads safer by keeping more trucks off the highways.*

## Recreational Boating

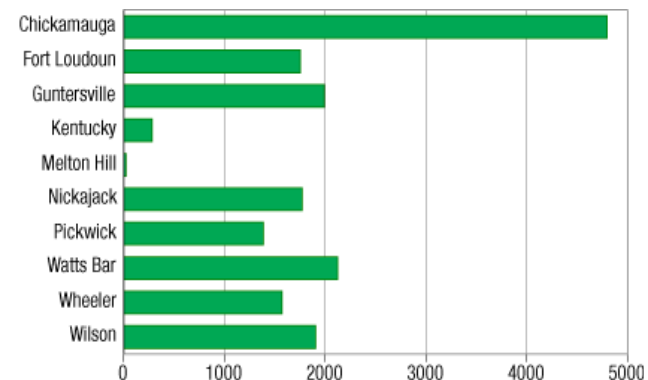
### A Growing Use of the River

An immensely popular and important industry spawned by the development of the Tennessee River is recreational boating, which has experienced a tremendous boom since the late 1980's. When recreational boaters wish to travel from one section of the Tennessee River to another, they "lock through" just as the towboats and barges do. The locks provide passage between reservoirs for more than 21,000 recreational craft each year. Chickamauga is the second busiest lock for recreational traffic on the entire Ohio River system.



More than just an opportunity for family fun on the water, recreational boating contributes to significant economic growth throughout the Valley. Since 1988, boat manufacturing operations and dealerships have increased about 16 percent in counties adjacent to the river. The number of marinas in the same Tennessee River counties more than doubled during this same time period. Boating-related industries, including boat manufacturing and retail dealerships, also contribute to the regional economy and provide jobs for thousands of Valley residents pumping approximately 25 million dollars into the Valley's economy each year.

### Recreational Traffic at Tennessee River Locks in 2007



## Inland Waterway System



*The largest tributary of the Ohio River, the Tennessee is part of the nation's Inland Waterway System. These interconnected river routes cover 11,000 miles and serve to strategically link geographic areas, major markets, suppliers of raw materials, processors, and consumers.*

## Who Does What

### River Responsibilities

A unique cooperative partnership among several federal entities makes river traffic practical and safe. TVA owns the physical structures on the river and operates the dams through integrated management of the entire reservoir system—balancing the need for navigation depth with flood reduction, hydropower production, recreation, and many other public benefits. The U.S. Army Corps of Engineers operates the navigation locks and maintains the navigation channel by periodic dredging. The U.S. Coast Guard installs and maintains the navigation aids—markers, buoys, and lights—along the main channel; TVA has responsibility for navigation aids in the recreational channel.

Along with TRVA, all make up a team that supports commercial navigation on the Tennessee River.