

United States Army Corps of Engineers

And

The American Waterways Operators

Outline of Quality Partnership

For

Enhancing the Operational and Financial Efficiencies of the Inland Waterways Infrastructure

#### Purpose and Objective of the Quality Partnership

1. The purpose of this quality partnership between the United States Army Corps of Engineers (Corps) and the American Waterways Operators (AWO) is to strengthen the communication and working relationship between the Corps and the barge and towing industry toward the mutually-shared objective of improving the operational and financial efficiencies of the inland waterways infrastructure.

#### Outline of the Quality Partnership

2. The quality partnership covered by this agreement is to establish a cooperative, informal but structured process that will address policy issues impacting operational and financial resource management aspects of the inland waterways system. This process is not intended to subvert the statutory authorizing and appropriating responsibilities of the government, nor is it intended to supplant the important role that is played by the Inland Waterways Users Board, the federal advisory committee established pursuant to authority granted in the Water Resources Development Act of 1986. Rather, it is intended to complement these other legitimate government and industry functions by providing a flexible mechanism for joint Corps-industry action in a results-oriented, non-regulatory environment.

#### Details of the Quality Partnership

3. The Corps and AWO agree to establish a quality partnership to further mutual goals. This quality partnership involves creating a National Quality Steering Committee (QSC) to review and act on "Opportunities for Improvement" (OFIs) received from members of the barge and towing industry, AWO, and Corps personnel. The QSC will identify those OFIs that are candidates for cooperative Corps-industry attention and then designate new or direct existing Quality Action Teams (QATs) to recommend solutions for the problem or improvements to the process identified in the OFI. The OFIs addressed by the QSC and QATs will have Corps-wide policy implications.

4. Quality Action Teams will operate under the guidance of the National QSC and conduct their work using a quality process to analyze the issues involved and recommend process improvements including, at a minimum, the following steps:

- a. Define the scope of the problem or process improvement needed (i.e., determine the baseline), utilizing statistical data, case studies, etc., as available;
- b. Analyze the data/identify root causes of the problem;
- c. Identify solutions to the problem or improvements to the process based on analysis of available data/evidence;
- d. Identify the measure(s) by which the success of proposed solutions will be judged and check the validity of the proposed solutions by measuring initial results;
- e. Refine proposed solutions as necessary; and,
- f. Develop an implementation plan (including identification of the target audience for the improvement) for submittal back to the QSC.

5. The Quality Steering Committee will review the work of the QAT to ensure that all necessary quality steps have taken place, that proposed solutions and quality improvements are supported by the underlying analysis, and that the proposed implementation plan is complete and understandable. Having validated the QAT's work, the QSC will endorse the results and communicate proposed improvements to any target audience which is beyond the indigenous area or participants of the QAT itself.

#### Action

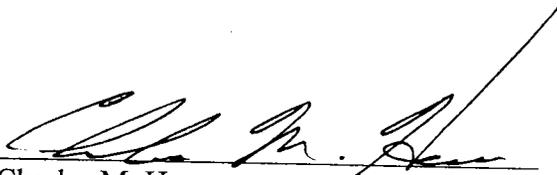
6. To institutionalize the quality partnership described above, the Corps and AWO agree to undertake the following actions:

- a. Both the Corps and AWO will promote this Quality Partnership within our two organizations via appropriate channels.
- b. The Corps and AWO will establish a National Quality Steering Committee by November 1, 1997.
- c. The National QSC will establish by December 1, 1997, at least one national Quality Action Team (QAT) that initially will address an issue which the national QSC selects as deserving early attention.

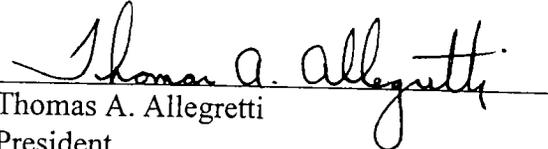
d. The experiences gained by the National QSC in meeting the objectives of this quality partnership will be evaluated by the National QSC after one year's operation. Based on this evaluation, the National QSC will recommend to the Corps and AWO whether to continue and/or expand the quality partnership.

Institution of the Quality Partnership

7. This Outline of Quality Partnership is effective upon signature of this agreement. It is informal in nature and may be modified or terminated by either party by mutual agreement at any time.



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19 AUGUST 1997  
Date

August 19, 1997  
Date