

NEWS FROM THE DOCKS

Ports Association of Louisiana

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NEW RULES PENDING FROM DEPT. OF REVENUE REGARDING CONSTRUCTION CONTRACTORS

The La. Dept. of Revenue will draft new rules regarding the tax-exempt status of construction contractors at ports and other state government entities by mid-October. The draft rules come as a result of a September 12 meeting between PAL association manager and lobbyist Sherri McConnell, Revenue Secretary Cynthia Bridges and other department officials. Attorneys Mike Dees, Port of Lake Charles and Chris Dicharry, Calcasieu Parish Gravity Drainage District, also attended the meeting. In the meantime, the forms which establish contractors as agents of the state are available on the Dept. of Revenue's web site. Visit www.rev.state.la.us/htmlfiles/tax_forms/tax_forms.asp#/TaxForms. Form R-1020 (Designation of Construction contractor as agent of a government entity) is listed under General Sales Tax. Form 1056 (Exemption certificates-Purchases by political subdivisions) is listed under Sales Tax Exemption Certificates. Copies of the forms are also available in the PAL office.

SPECIAL SESSION CALLED BY GOVERNOR *Agenda limited to reapportionment*

The La. Legislature will convene on Monday, Oct. 8, for a 12-day special session dealing strictly with redrawing district lines. Gov. Foster called lawmakers into session to redraw district lines for congressional, legislative, state school board and Public Service Commission offices based on the 2000 U.S. Census.

The Louisiana Supreme Court districts will not be addressed, because the lines for those districts were drawn three years ago.

According to Foster press secretary Marsanne Golsby, items other than reapportionment were not included in the call "... At the request of legislative leaders, who wanted to make sure there was no temptation for horse-trading."

The state has seven congressional districts, 105 state House of Representatives districts, the 39 state Senate districts, eight Board of Elementary and Secondary Education districts and five Public Service Commission districts.

Gov. Foster will address a joint session at 6 p.m. on Oct. 8. Lawmakers must adjourn by 6 p.m., Oct. 19.

Source: *The Times Picayune*

PAL COASTAL WORKSHOP A SUCCESS

Seven Louisiana lawmakers had a first-hand look at the economic development spawned by a Louisiana port when they attended PAL's annual Coastal Workshop at Port Fourchon September 4-6.

Legislators attending included Senate President John Hainkel (R-New Orleans); Senator Robert Barham (D-Rayville); Rep. Bryant Hammett (D-Ferriday); Rep. Tom McVea (R-Jackson); Rep. Loulan Pitre (R-Cut Off); Rep. Roy Quezaire (D-Donaldsonville); Rep. Diane Winston (R-Covington). Commissioner of Administration Mark Drennan also attended.

"The ports of Louisiana represent true economic development in our state," said Association Manager and Lobbyist Sherri McConnell. "The Coastal Workshop gives the industry a great opportunity to give legislators and state officials a close-up look at our success."

Special thanks to the Greater Lafourche Port Commission, Executive Director Ted Falgout and the entire staff for their gracious hospitality. Thanks also to the Red River Waterway Commission and the Port of Lake Charles for co-sponsoring the workshop.

MILLENNIUM PORT DEADLINE ISSUED BY FOSTER

Governor wants plans moving by Christmas

In response to a joint letter issued by U.S. Rep. David Vitter (R-Metairie) and U.S. Sen. Mary Landrieu (D-New Orleans), Gov. Mike Foster has set an end-of-the-year deadline for plans to be moving forward for the state's proposed Millennium Port, including the finalization of a site selection. In the letter to the governor, Landrieu and Vitter faulted the state for not making progress on the offshore deepwater port.

Spearheading the project to jump-start the program will be J. Ron Brinson, chief executive officer of the Port of New Orleans. Brinson believes a recommendation on a Millennium Port plan should be ready by Dec. 15.

With Gov. Foster making a call for action, Senate President Sen. John Hainkel named a Senate Select Committee on the Millennium Port to address the issue. The committee held a joint session in August with the House Committee on Transportation, Highways and Public Works' Subcommittee on Airports, Water Ports, Transit and Rail.

Gov. Foster wants a private investment group to commit to building the port at a specific site before

the state commits to constructing roads leading to it. While the \$1.3 billion port would be built with private funds, various infrastructure needs would be developed with state monies.

In his proposed scenario, Foster would like the Millennium Port Authority to look at taking out options to buy land or have the land donated, followed by getting commitments from private investors. Only then would be the state take steps to get the infrastructure in place.

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NEWS FROM THE STATE CAPITOL

Political newcomer Gary Beard (R-Baton Rouge) has been sworn in as the latest member of the Louisiana House of Representatives. Rep. Beard replaces former Rep. Chuck McMains in District 69.

Qualifying for House District 88 runs October 24-26, with the special election set for November 24. A run-off, if needed, will be held December 22. The seat was vacated by former Rep. Jim Donelon, who took a position with the Department of Insurance.

FEDERAL NEWS

The future of the Conservation and Reinvestment Act is uncertain at best. Even before the tragic events of Sept. 11 and the consequences of those actions on the federal budget, the Bush administration budget projections were making it less likely that Congress will approve the legislation. Lack of administration support, along with continued opposition from Western lawmakers and powerful members of the House and Senate appropriations committees makes the bill's passage an uphill battle.

According to Rep. David Vitter (R-Metairie), however, Louisiana should not expect any major cutbacks in federal financing for key Louisiana water and transportation projects in the wake of the terrorist assaults. He predicts Congress will approve full financing for water and transportation projects, including a minimum of \$56.9 million for Southeast Louisiana flood control projects.

Source: *Times Picayune*

PORTS AND WATERWAYS INSTITUTE AT UNO RECEIVES FEDERAL GRANT

A \$135,000 federal grant from the Minerals Management Service will fund about 15 months of research on how Louisiana's Gulf Coast ports should prepare for increased oil and gas production on the outer continental shelf. The research

will be directed at ports of Iberia, Morgan City and Fourchon.

Source: *New Orleans CityBusiness*.

RIVER PILOTS IN THE NEWS

Gov. Mike Foster has been asked by a group of pilots that guides ships along the Mississippi River to re-establish a defunct commission to oversee their rates.

However, a shippers organization—Pilot Users Group of Louisiana—believes the state needs to set up a new regulatory system for pilots.

At one time, each of the state's four pilot groups had its own fee commission, with representatives nominated by pilots and industry. Shipping industry representatives resigned from these commissions in 1998 to protest rising pilot rates. The Public Service Commission gained sole regulatory authority over pilot rates.

Shippers introduced a law to change pilots' regulation during the 2001 Regular Legislative Session, but the measure did not pass.

Source: *New Orleans CityBusiness*.



The Crescent River Port Pilots Association has selected A.J. Gibbs as its new president. Association members handle ships from just inside the Mississippi River to New Orleans. Gibbs replaces longtime President Mark Delesdernier, who is nearing retirement.

Source: *The Times Picayune*.



The New Orleans-Baton Rouge Steamship Pilot Association is under investigation by the Coast Guard. The group of state-commissioned pilots guide oil tankers and cargo ships on the Mississippi River between New Orleans and Baton Rouge.

Investigators are focusing on a spring election by the association that created 44 new pilot apprentices. The Coast Guard is exploring allegations that some of the apprentices fraudulently obtained Coast Guard licenses by falsifying information about the amount of time they had worked as mariners, association President Joe Clayton said.

"I am highly concerned about this whole thing," Clayton said. "My board is concerned, and many of my members are concerned. Anybody who doesn't have a concern is just not thinking right now. I don't think they convene a federal investigation if they don't think something has happened."

Coast Guard officials have turned over information about the case to federal Justice Department investigators for review; however, the department has not opened its own investigation.

Source: *The Times Picayune*

WHEN WILL "MR. GO" GO?

The U.S. Army Corps of Engineers has begun a study of the Mississippi River-Gulf Outlet (Mr. Go) that many believe is the beginning of the end for the 36-foot-deep canal. Built in the 1960's the canal shaves 40 miles off the trip up the Mississippi River to New Orleans.

While the canal has attracted billions of dollars worth of cargo over the years to New Orleans, many in St. Bernard Parish contend the canal provides an avenue for hurricane storm surge. Salt water creeping up the outlet has killed off cypress trees and aided in the wetlands loss and erosion from ship wakes splashing along its banks.

Now that the channel does not meet the depth requirements of the largest cargo container ships, both opponents and proponents of the canal agree that its days are numbered. But how quickly will the waterway be put out of commission?

Corps officials say they are studying the possibility of keeping the channel dredged at 36 feet alongside proposals to make it as shallow as 12 feet.

Maritime officials believe the channel should remain open until there is a suitable replacement route for container ships. This point ties the issue with the proposed Millennium Port. Critics say in addition to the environmental concerns created by the channel, the expense to maintain the waterway benefits few ships.

Source: *New Orleans CityBusiness*.

LAGRANGE PICKED TO HEAD NEW ORLEANS PORT

The Port of New Orleans has named Louisiana native Gary LaGrange as its new executive director. LaGrange assumed the position on Sept. 24, replacing J. Ron Brinson.

LaGrange is a Franklin native and a graduate of the University of Southwestern Louisiana. He comes to the New Orleans Port from the Mississippi State Port Authority at Gulfport, where he has served for two years. Prior to that appointment, he headed the Port of South Louisiana. From 1976 to 1997 he was executive director and built the Port of West St. Mary in Franklin.

Source: Port of New Orleans' press release

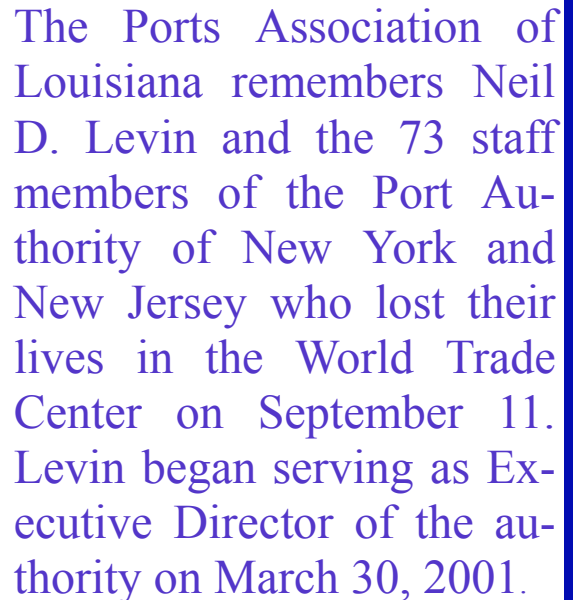
MEMBER NEWS

The Port of Greater Baton Rouge has developed a 20-year "Millennium Plan" that builds upon the strengths of the current port infrastructure while outlining new opportunities to strengthen the port's already diverse customer base. One goal of the plan is for the port to maintain fiscal self-sufficiency while enhancing profitability in revenue-generating opportunities. Another recommendation is to continue to develop the port as an agricultural hub and increase its viability as a forest products and break bulk port. A third recommendation is to institute the port as a major player in the heavy lift and project cargo market.

Source: *Deep Water*, 8.01., Vol. XXXVI, #2.

PAL WELCOMES NEW MEMBERS

Ambar Drilling Fluids, Lafayette
Soil Testing Engineers, Baton Rouge



The Ports Association of Louisiana remembers Neil D. Levin and the 73 staff members of the Port Authority of New York and New Jersey who lost their lives in the World Trade Center on September 11. Levin began serving as Executive Director of the authority on March 30, 2001.

CALENDAR

October 1-5, AAPA, Quebec, Canada

October 3, PAL Public Relations & Membership Committee meeting, 2 p.m., PAL Office, 548 Kenmore, Baton Rouge

October 9, Millennium Port Authority, 10 a.m., Louisiana Department of Wildlife and Fisheries, 2000 Quail Drive, Baton Rouge

October 11, PAL Board meeting, 10 a.m. Richmond Suites Hotel, 5668 Hilton Avenue, Baton Rouge

November 8, PAL Board meeting, 10 a.m., Richmond Suites Hotel, 5668 Hilton Avenue, Baton Rouge

December 6, PAL Board meeting, 2 p.m., Port of New Orleans' Presentation Room, 1350 Port of New Orleans Place, New Orleans

December 6-8, Mississippi Valley Flood Control Association, New Orleans

April 3-5, Ports of Louisiana Annual Conference, Sheraton Baton Rouge Hotel, Baton Rouge

Share your news! Contact Lisa at 225.334.9040; via fax at 225.334.9323; via email at info@portsoflouisiana.com.