

NEWS FROM THE DOCKS



ASSOCIATION OF LOUISIANA

Louisiana Ports Deliver

February 2003
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Message from the PAL Office

As the PAL Annual Conference draws nearer, plans are being finalized to insure that we will have one of the best conferences ever. On line registration is now available at our web site www.portsoflouisiana.org. Registration mailers will go out early next week, if you prefer to register that way.

The program includes presentations by Dr. Loren Scott on International trade and its importance to the economy, Clancy Dubose, Chairman of Gambit Publications, with insight into the coming gubernatorial election, and Jim Renner discussing the Mississippi River Corridor Initiative. National issues that are important to Louisiana's ports will also be addressed. For a complete program and schedule of events, please refer to PAL's web site.

Port Construction and Development Priority Program

The Joint Legislative Committee on Transportation, Highways and Public Works held a Public Hearing on February 25th to accept comment about the PCDPP recommended construction program for FY 2003/04. The program recommends continued funding for four projects and new funding for six projects. To fully fund the recommendations of DOTD would require that \$26,777,360 be made available during the coming legislative session.

Roger Richard, PAL President and Executive Director of the Port of Baton Rouge, made a statement emphasizing the importance of funding Louisiana Ports at a minimum of \$30 million. He demonstrated how neighboring

states are funding their ports at higher levels, making it more and more difficult to remain competitive. Mr. Richard further discussed the high level of credibility that each project is required to meet which insures strong, economically viable projects.

Ed Preau, DOTD Assistant Secretary, in his presentation, indicated that the Port Construction and Development Priority Program is returning an average of \$6.11 of benefit for every state dollar invested in the program. Since the beginning of the program, 117 projects have been funded.

The Joint Committee will meet on March 31st in House Committee Room 1 at 10:30 am to consider adoption of the program.

Sales Tax – Supreme Court Ruling

On February 25th the Louisiana State Supreme Court ruled in favor of the Port of Lake Charles on the sales tax issue. After reviewing the record and the applicable law, the Supreme Court affirmed the judgment of the Court of Appeals and held that Miller was acting as agent for the Port, a tax-exempt governmental entity under La.R.S. 47:301(8)(c), when it made the purchases at issue in the case and is therefore not liable to the Calcasieu Parish School Board for sales and use taxes.

In conclusion the ruling stated that the Port, as a political subdivision of the State of Louisiana, was exempt from paying state and local use taxes when it purchased tangible personal property. In this case, the Port entered into a construction contract with Miller for renovation and repair of its deepwater port in Calcasieu Parish, pursuant to which contract Miller

provided labor and materials for a fixed contract price, and pursuant to which contract the Port appointed Miller as its agent for the purchase of certain types of materials. As the Port's agent, Miller did not have to pay sales tax on these materials.

Corporate Member News

South Tangipahoa Port Commission/Port of New Orleans

These two ports are working toward moving containers from the Port of New Orleans to Port Manchac. This will help eliminate congestion at the Port of New Orleans and will bring additional traffic to Manchac. This is an excellent example of ports working together and seeking innovative ways to benefit Louisiana.

Millennium Port Authority

At their meeting on February 26th, the Commission agreed to enter into a contract with Norbridge, Inc. to update the market analysis contained in the Millennium Port Comprehensive Feasibility Study. Preliminary information should be available within six months.

Caddo-Bossier Port Commission

Caddo Bossier Port commission is pleased to see its Slack Water Harbor project proceeding toward construction. As it comes closer to fruition, additional interest is being expressed by ship building ventures.

Port of New Orleans

On January 28th, the Port of New Orleans handled the largest container vessel to ever dock there. The MSC Barbara made its inaugural port call at the Nashville Avenue Wharf. The vessel has a displacement of 73,819 gross tons, is 997 ft. long, with a 131-foot width and a container capacity of 6,724 teu's.

Welcome New Associate Members

PAL would like to welcome four new Associate Members.

GSE Associates, Inc. is an engineering consulting firm in Houma. Mr. Art DeFraités, Jr. is its CEO.

Associated Terminals, LLC is a stevedoring company located in Reserve. Mr. David Fennelly is PAL's contact person.

BFM Corporation, LLC is a professional land surveying company. Mr. Ralph Fontcuberta is PAL's contact person.

IEP Ltd. (International Electronic Protection)

is in consulting, design, installation and servicing of surveillance and security systems. Mr. Mike Huckabee is PAL's contact person. They are located in Scottsdale, Arizona.

For additional information about our new members, please refer to the Member Directory at www.portsoflouisiana.org.

Web Site Update

A page is being added to our web site that will allow corporate members to post information about projects that are ready to be bid. The page will be called "Letting Dates" and will provide information about construction projects that are nearing the bidding phase of project development. Hopefully, this will help to inform potential bidders in a timely manner. The page should be ready by the middle of March.

If you have news to share, please send the PAL office a press release, and we will include it in the next issue.

MARK YOUR CALENDARS

PAL Annual Conference

April 9-11, 2003
Doubletree Hotel in New Orleans
Make your reservations now 1-800-222-8733

LIDEA Spring Membership Meeting

March 12-13, 2003
St. Tammany Parish
Hotel Reservations should be made by March 5th, 2003
Courtyard Marriott-Covington 1-888-364-1200

Port Construction and Development Priority Program

Presentation to the Joint Committee on Transportation, Highways and Public Works for adoption on March 31, 2003 – 10:30 AM
House Committee Room 1

Legislative Session

Begins – March 31, 2003

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