

NEWS FROM THE DOCKS



ASSOCIATION OF LOUISIANA

Louisiana Ports Deliver

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Message from the PAL Office

HAPPY NEW YEAR!

We certainly hope that everyone had a wonderful holiday season. As hard as it may be, it is time to settle back down and get back to work. As always, there is a lot going on at the PAL office.

We are busy planning a tour of Louisiana's gulf ports for members of the Joint Committee on Transportation and Highways and Committees on Natural Resources. Plans currently include a three-day trip beginning on March 1st. We are delighted that members of the legislature have expressed an interest in learning more about our ports. Read more about this effort in our Legislative Update column.

Our annual conference is getting closer. Look over those requests for sponsorships and mail them back as soon as possible. The Port of Baton Rouge will be our host this year and they are planning some terrific activities.

Corporate and Associate membership renewal forms have been mailed. Please complete your renewal form and return it to the PAL office.

We continue to search for new Associate Members. Associate Members are so important to PAL in assisting us with the activities that we are able to offer during the year. Help us to find new members and please renew your membership today! Refer to our web page at www.portsoflouisiana.org for more information.



Legislative Update

Committees Plan Visit to LA Ports

After years of trying to get the Transportation Committees to have a road show of port priority projects, it seems that PAL's efforts are finally paying off. The Joint Transportation Committee and the Joint Natural Resources Committee will spend three full days in March traveling south Louisiana. On March 1, 2 & 3 as many as fifty legislators and staff will be visiting twelve of our ports to learn more about the industry's impact and needs. "This is a wonderful opportunity to really educate our policy makers about our industry," commented PAL President, Wylly Gilfoil. "We will have their undivided attention. We must take full advantage of it and show off the ports as the great Louisiana resource and economic powerhouses that they are," he added. PAL is working with the committee staff to develop an itinerary and will be sharing it with the membership once it is completed.

Corporate Member News

Port of New Orleans

CG Railway Moves to Port of New Orleans New Service Builds on New Orleans Rail Infrastructure

Gov. Kathleen Babineaux Blanco joined the members of the Board of Commissioners of the Port of New Orleans in announcing that a new business will relocate to the Elaine Street Wharf.



The relocation of CG Railway from the Port of Mobile to the Port of New Orleans is expected to lead to 86 to 95 additional vessel calls per year at the Port of New Orleans.

“It should be apparent by our actions this year, and our rate of success, that we are serious when we say that Louisiana is open for business,” Gov. Blanco said. “We are competing head-on with other states and bringing home opportunities instead of just hope for Louisianians.”

CG Railway is a wholly owned subsidiary of International Shipholding Corp., a publicly traded company based in New Orleans. It will convert the Elaine Street Wharf into a dock for a rail ferry, which transports railcars between the United States and Mexico.

“This project is a great example of how the excellent transportation infrastructure in the Port of New Orleans leads to new economic activity. The Port of New Orleans is already a rail hub because we are the only U.S. port with six trunk line railroads, and this new service will build upon our strengths,” said Angus R. Cooper II, Chairman of the Board of Commissioners of the Port of New Orleans.

Statewide, the Port of New Orleans generates about 107,000 jobs, \$2 billion in earnings, \$13 billion in spending and \$231 million in taxes. The Port’s facilities include 22 million square feet of cargo handling area and more than 6 million square feet of covered storage area.

“The victory we are celebrating today exemplifies what the Port of New Orleans does best. We are a regional economic development agency that brings together private industry and government resources to create jobs through the movement of cargo,” said Gary LaGrange, President and CEO of the Port of New Orleans.

Louisiana is investing up to \$15 million in infrastructure improvements at the Port of New Orleans to accommodate CG Railway's rail and cargo activities. Additional improvements will be made by the City of New Orleans, the Port of New Orleans and the New Orleans Public Belt Railway.

When fully operational, the project is expected to generate more than \$32 million in tax revenue. CG Railway currently moves 10,500 rail cars annually via a water rail service between Mobile, Ala., and Coatzacoalcos, Mexico. The company will relocate that service to New Orleans and plans to expand in 2005 to accommodate up to 25,000 railcars annually at the new site.

CG Railway plans to relocate to a 60-acre site on the Mississippi River-Gulf Outlet (MR-GO) in New Orleans and utilize two rail yards operated by the New Orleans Public Belt Railroad and the Port of New Orleans. The company is investing more than \$20.5 million in New Orleans site improvements and equipment upgrades, as well as improvements to their facilities in Mexico. Among other approvals needed for the project to proceed, the Board of Commissioners of the Port of New Orleans must finalize a lease with CG Railway.

The Elaine Street Wharf has remained largely unused since the Port of New Orleans decided to close the Public Bulk Commodities Terminal located there about a decade ago. At the time, the Port was divesting itself of its bulk-handling facilities in order to focus more intensively on its niche breakbulk cargoes, such as steel, rubber, plywood, non-ferrous metals and coffee.

New Orleans, Tulsa Ports Collaborate for Project Cargo - *Shipment is One of the Heaviest Lifts for Rickmers’ Round-the-World Service*

The successful shipment of a 583 ton reactor that removes sulfur from diesel and gas from Japan to the U.S. highlights the heavy lift capabilities of the Port of New Orleans and the Tulsa Port of Catoosa.

The shipment, which was loaded from the Rickmers Singapore to a barge headed for Tulsa, is one of the heaviest piece of cargo to be

shipped since Rickmers began phasing in a new service to the Port of New Orleans two years ago.



In October, the Port of New Orleans and the Port of Catoosa began a joint marketing effort, promoting the Mississippi River and the Arkansas River as an all water route for project cargo. The shipping route connects the Lower Mississippi River, one of the world's busiest waterways, with Oklahoma's industrial complex, particularly the petrochemical industry.

"This shipment underscores the powerful partnerships that we are putting together at the Port of New Orleans and the Tulsa Port of Catoosa. The relationships that we are building between our port authorities, shipping lines, barge companies and terminal operators are helping to connect America's heartland to the world," said Gary LaGrange, President and CEO of the Port of New Orleans.

"The Tulsa Port of Catoosa has been handling shipments of this size and weight for decades," said Jerry Goodwin, chairman of the City of Tulsa-Rogers County Port Authority, "and we welcome the opportunity to partner with New Orleans on projects like this. The equipment has traveled all the way from Japan by water, and it's fitting that the last 1,000 miles of its journey into the heart of northeast Oklahoma should also be by water. The cost savings of waterway transportation over other modes are enormous."

The Rickmers Pearl String Service is an eastbound Round the World Service that is comprised of nine sister ships, which call on New Orleans every two weeks.

The cargo was loaded in Higashi Harima, Japan, on Nov. 28th. The Louisiana Avenue Wharf is operated by Coastal Cargo Co., a subsidiary of the Jackson Kearney Group.

The 583 metric ton piece was moved by the ship's gear directly onto barge. The Singapore and her eight sister ships all have a 640 metric ton gear capacity. The nine ships in the Rickmers Pearl String Service are 30,000 dead weight tons ships with an overall length of 192.9 meters and a breadth of 27.8 meters. They are all under two years old.

"This is one of the heaviest pieces of cargo that we have moved since the ships have come in service. It's the kind of cargo that this ship was designed to carry," said Jerry Nagel, President and CEO of Rickmers-Linie America Inc.

Nagel said that he anticipates that the partnership between New Orleans and Tulsa will continue to generate new cargo.

Millennium Port Authority Container Growth in Louisiana

Louisiana is beginning to see growth in container handling this year as several ports begin to tap some of the great potential of this market. Port of Greater Baton Rouge teamed with local Dow Chemical 18 months ago to open an inland barge terminal on the Port Allen Alternate Route, beginning an all water export route for containerized chemical products to Asia via Houston. Initial response was favorable, so an additional terminal area for other customers was opened at the port as well.

An early winner in tapping the new transportation mode appears to be Osprey Lines, offering regular container-on-barge service between Baton Rouge, Houston, New Orleans, Memphis, and Lemont, Illinois serving Chicago. Partly owned by Kirby Corporation, Osprey has good access to barges and power to move them throughout the National Water Highway. In addition, looking like an oversized Offshore Supply Vessel, Osprey's SEA TRADER is offering a Jones Act container service between New Orleans and ports in Texas and Florida. This is adding to Port of New Orleans' reported container growth at their new Mississippi River container terminals.

Transferring heavy and bulky loads to water and rail routes yields dividends for the state's heavily traveled highway system, decreasing road surface wear, minimizing traffic congestion, and reducing the risk of hazardous material spills in communities. Container traffic

is easily handled from barges to road and rail with limited equipment, such as Baton Rouge's oversized Fantuzzi forklift or a standard crane with spreader bars.

As all-water container traffic grows in popularity, Louisiana will gain an important place in international container routing. Delays in the Los Angeles/Long Beach port areas are driving Asian carriers to go through the Panama Canal to the US east coast in Charleston for some deliveries. Certain Asian carriers have indicated a willingness to call near the mouth of the Mississippi River in Louisiana with cargo for mid-America. With over 55 million consumers, mid-America is a natural service area for a Louisiana gateway container port. Last year's Millennium Port Authority study showed in excess of two million containers could move through Louisiana for mid-America, a sharp contrast to the current level of one-quarter million containers.

As the import container traffic builds, Red River ports and other areas of the state will be better able to access international markets for exports of Louisiana forest and chemical products as well as agricultural goods. Cooperative endeavors between Louisiana ports may be the next necessary step to achieve these quantum changes.

Port of Greater Baton Rouge
Winner of Annual Lead Agency Horizon Plan Award

The Planning Commission of the City of Baton Rouge and Parish of East Baton Rouge have named the Port of Greater Baton Rouge the 2004 recipient of the Annual Lead Agency Horizon Plan Award. The Horizon Plan is a twenty-year land use and development plan for the city and parish. Local and state government and non-profit organizations function as "Lead Agencies" to implement the Horizon Plan.

The annual award recognizes agencies for exceeding the standards to accomplish assigned strategies, or "Action Items," necessary to implement the Horizon Plan. The port is the fourth recipient of the Annual Lead Agency Horizon Plan Award, which was created in 2001. Troy Bunch, city-parish planning director, presented the award to the port at the Horizon Plan Lead Agency meeting on Dec. 9.



Alison Gibbs, manager for Advance Planning & Research, Planning Commission; Jay Hardman P.E., managing director Port of Greater Baton Rouge; and Troy Bunch, director, Baton Rouge City Parish Planning Commission.

The Lead Agencies are assigned action items in relation to the plan's seven elements, which include land use, transportation, housing and others. The port is responsible for two of the 275 action items distributed among the 29 Lead Agencies.

"During the past five years, the port has undergone a substantial transformation and has developed and built facilities to improve and expand freight movements and provide added flexibility and increased transportation options for local shippers," Bunch said. "These improvements and the port's dedication to building and maintaining key partnerships have resulted in the successful implementation of their Action Items."

Since the plan's adoption in 1992, there has been an increased level of coordination and cooperation among the many City-Parish Lead Agencies. This has helped streamline many projects and allowed the City-Parish to benefit from the combined knowledge and experience of the many agencies, Bunch said.

Port of South Louisiana

Port of South Louisiana's First Annual Awards and Recognition Ceremony

The Port of South Louisiana recently held its First Annual Awards and Recognition Ceremony to acknowledge employees that have contributed to the success and growth at the port in 2004. The recognition policy was researched and developed by Human Resources Director Catherine Davis and subsequently approved by PSL Executive Director Joseph Accardo, Jr. The event, hosted by the port's management team, included a Christmas Buffet reception. Employee Guadalupe Torres, an Accounting

Specialist in the Finance Department, was the recipient of several awards, including special recognition for his 10 years of dedicated service to the port.



Port of Lake Charles

Employee Judy Stahl as Recipient of Government Finance Officers Association Scholarship

Judy Stahl, Accountant Lake Charles Harbor & Terminal District, was awarded the 2004 – 2005 Government Finance Officers Association (GFOA) scholarship. Mrs. Stahl was one of four recipients selected within the state of Louisiana by the GFOA scholarship committee. Mrs. Stahl has been an employee with the District for 20 years and is currently attending McNeese State University pursuing a Bachelors of Science degree in Accounting and presently has a 3.97 grade point average.

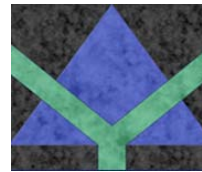
GFOA, headquartered in Chicago, IL, is the professional association of state/provincial and local finance officers in the United States and Canada, and has served the public finance profession since 1906. Approximately 16,000 GFOA members are dedicated to the sound management of government financial resources. GFOA members form a diverse group of individuals--from entry-level employees to senior managers--who work for a broad range of governments, including cities, towns, and other municipalities of all sizes; county governments; school districts and special districts; public employee retirement systems; states and provinces; schools of administration and public affairs; libraries; federal agencies; and accounting firms, law firms, investment banks, and consulting institutions.

“ I’m thankful for the opportunity to reach for excellence at the Port and in my educational endeavors. Working at the Port for 20 years has encouraged me to pursue higher education and

I’m grateful for the support shown by my supervisor and administrative staff,” said Mrs. Stahl.

Blanche Pete, Accounting Manager Lake Charles Harbor & Terminal District, stated, "The District is pleased to have an employee that strives for academic achievement. Her academic achievement definitely has benefited the District through the years of her service."

Associate Member Profiles



YORK ENVIRONMENTAL SERVICES, INC.

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Baton Rouge, Louisiana 70817
(225) 751-4980 • FAX (225) 751-2211

York Environmental Services is an environmental regulatory and security consulting firm that provides key advisory services to industry, government and commerce. Their focus is to minimize regulatory liability exposure to their clients through the development of environmental awareness and quality compliance.

They apply 20+ years of experience, innovation and a “get things done” attitude to small and large environmental challenges. Their professionals have extensive knowledge at the federal and state regulatory levels. A comprehensive network of relationships among the numerous regulatory agencies helps them to stay informed of regulatory processes and changes, which may affect their clients.

Services offered include the following:

ENVIRONMENTAL SERVICES

York Environmental Services is a diverse multi-media firm, which can function as an environmental management team. With the York Team on board clients can redirect their internal resources on the core functions of their company and have more time for interaction with their own clients.

ENVIRONMENTAL MANAGEMENT

The York Environmental Management System (EMS) consists of policies and documents that

describe the environmental functions and procedures that ensure compliance at each company site. This “living document” and the underlying proactive policies provide a valuable tool for the company, individual sites, the agency and the consultants.

WETLANDS, DELINEATIONS AND PERMITTING

York Environmental Services has over 10 years experience in wetlands evaluation in the Southeast United States. They have strong contacts in the New Orleans, Fort Worth and Vicksburg Corps Districts. Located in Louisiana, they have experience with a wide variety of the most extensive wetland areas in the country.

SECURITY SERVICES

Since 9/11 many companies need to assess their vulnerability to terrorist activities and train their employees on security strategies. York Environmental Services provides Anti-Terrorism Vulnerability Assessments and Training on various aspects of companies’ security systems.

LITIGATION SUPPORT AND WITNESS TESTIMONY

Federal and state regulations are a highly complex maze of procedures and laws. Companies with records of compliance and careful implementation can sometimes find themselves in litigation on environmental issues. York understands environmental regulations at the state and federal levels and can provide professional support to your legal team. They have highly qualified specialists who can assist clients on a broad scope of issues.

The goal at York is to provide absolute quality service in a timely and effective manner through their extensive regulatory and business knowledge and contacts. They are “user friendly” and believe in personal attention and service for each and every client. For more information visit their web site at www.york-env.com.

Legal News



This writer previously brought to your attention House Bill 4355 which was introduced in May,

2004. Its purpose is to strengthen and expand upon the Maritime Security Act of 2002 (MTSA) by providing specific measures to ensure that the U.S.A. is not vulnerable to terrorist attack by weapons secreted in containers. The bill is still in committee, presently before the House Ways and Means Subcommittee on Trade.

While that bill works its way through committee, a brief overview of the Maritime Transportation and Security Act of 2002 may be appropriate. MTSA was intended to protect against terrorist attack with minimal effect on trade. The Act creates a national maritime security system and requires Federal agencies, ports, and vessel owners and operators to take numerous steps to upgrade security, while requiring the Coast Guard to conduct vulnerability assessments of U.S. ports and marine operations. MTSA requires the Coast Guard to develop national and regional area maritime transportation security plans and requires that seaports, waterfront terminals, and certain types of vessels develop and submit security and incident response plans to the Coast Guard for approval. Under this law, certain vessels operating in U.S. navigable waters are required to be equipped with and operate an Automatic Identification System (“AIS”). Finally, the Act authorizes a federal grant program to help defray the cost of security upgrades at U.S. seaports.

Coupled with MTSA are the Maritime Security directives, MARSEC, which implement the mandates of MTSA. These directives establish a comprehensive maritime security regime in which owners and operators of designated vessels and facilities (including barge fleeting facilities), and other interested parties, are required to comply with these new requirements as they affect their operations. These regulations were developed using risk-based methodology, and focus on those sectors of the maritime industry that have a higher risk of involvement in what is referred to as a “transportation security incident” (“TSI”). A transportation security incident means a security incident resulting in a significant loss of life, environmental damage, transportation system disruption, or economic disruption in a particular area. (MARSEC Directives may be found at 33 CFR Subchapter H Part 101 *et seq.* A good summary is found on the U.S. Coast Guard website – www.uscg.mil).

Those sectors of the marine industry that have been identified as having a greater degree of risk for a TSI include certain tank vessels and barges, large passenger vessels, cargo vessels, towing vessels, offshore oil and gas platforms, and port facilities that either handle designated dangerous cargo or service the vessels listed above. The security requirements as set forth in the regulations generally cover the following areas: use of security personnel and designation of security officers; drill and exercise requirements; record keeping requirements; procedures for interfacing with facilities and vessels; security training for personnel; MARSEC Level coordination and implementation; use of security systems and equipment; implementation of security measures for access control, restricted areas, handling cargo, delivery of vessels stores and bunkers, and monitoring; matters relating to compliance and non-compliance, MARSEC Directives, alternative security programs, and exemptions are also addressed; audits must be performed annually.

The U.S. Coast Guard is empowered to enforce these directives and penalties are used as one means of control measures. Failure to comply with MARSEC can result in several actions being taken by the Coast Guard against the vessel, such as denial of port entry or detention of the vessel. Civil and criminal penalties are applicable with respect to a violation of any order or any MARSEC Directive is punishable by the civil and criminal penalties that include, based upon circumstances or as appropriate: *in rem* liability against the vessel; a Class C or D felony for any person who willfully and knowingly violates the Directive; injunction; denial of entry into port and U.S. navigable waters; and withholding or revocation of vessel clearances. In addition, civil penalties of up to \$25,000 per violation can be imposed against any person who does not comply with any other applicable regulations, including a MARSEC Directive.

The Coast Guard has issued notices of violation (“NOVs”) with a \$10,000 penalty to various entities that have not complied with the regulations and submitted security plans to the Coast Guard. In fact, in January and February alone the Coast Guard issues approximately \$1.66 million in fines. (See U.S.C.G. website.)

The total cost to the industry over the next nine

years, from 2004 through 2012, is estimated to be in the range of \$5.484 billion, of which it is estimated that approximately \$1.150 billion is for vessel security and \$4.274 billion is for facility security. (Subcommittee on Coast Guard and Maritime Security, Hearings, 7-03.)

As usual, these costs will likely be passed on to the consumer. In our already heavily regulated maritime industry, will these increased demands drain financial resources to the point that the smaller marine operators cannot make it financially? Hopefully not.



BY WILTON E. BLAND, PARTNER
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Federal Update

NOAA

Information is available on the 2004 hurricanes at this site

http://chps.sam.usace.army.mil/USHE/Sdata/Assessments/2004Storms/2004_hurricane_season_page.htm



In Memoriam

Vernon E. Behrhorst, 76, died Monday, Nov. 29, 2004. Behrhorst was part of virtually every effort affecting our rivers and coastal resources. He pursued his goals as president and executive director of the Louisiana Intracoastal Seaway Association, director of the Louisiana Governor’s Office of Water Policy; coordinator of the Louisiana Coastal Task Force, representative on the water resources committee of the National Governor’s Conference, chairman of the national Water Resources Congress and of the American Water Coalition, and chairman of the advisory board of the National Waterways Conference.

His lifelong efforts as a consultant in water resources earned numerous awards including the National Rivers Hall of Fame Achievement Award in 1997, the highest form of recognition bestowed upon living individuals for their contribution to the Nation's Waterways and also received the John P. Bickel Award in 2004. Mr. Behrhorst was honored by the Gulf Intracoastal Canal Association in 2004 by having the 99th Annual Convention dedicated to him and was the first to receive the Gulf Intracoastal Canal Association Lifetime Membership Award.

Behrhorst came to Louisiana to teach geography at the University of Louisiana (then USL) in 1957 and almost immediately became involved in efforts to develop the state's water resources. Over the next four decades he became recognized as a leader of regional and national efforts to improve the nation's waterways. He retired in 1990 after more than 30 years on the UL faculty and devoted himself full time to water projects.

If you have news to share, please send the PAL office a press release, and we will include it in the next issue. We would also like to include your pictures. Be sure to send them along as well as the articles.

MARK YOUR CALENDARS

February 3 – PAL Monthly Meeting – Richmond Suites, Baton Rouge

March 10 - PAL Monthly Meeting

March 9-11 Louisiana Planning Council – Louisiana Transportation Technologies Annual Conference – www.crpc-la.org Embassy Suites, Baton Rouge, LA Agenda and sponsorship information available on-line

May 4-6 - PAL Annual Conference – Baton Rouge, LA Sheraton Argosy Hotel – reservations 225/242-2612

