

NEWS FROM THE DOCKS



ASSOCIATION OF LOUISIANA

Louisiana Ports Deliver

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Message from the PAL Office

PAL hopes that everyone is getting excited about our conference. We certainly are. Remember, the date is May 4-6th. Our program is going to be interesting, informative and entertaining. Featured speakers will be Dr. Loren Scott, Mr. Julio Melara and Sen. Jay Dardenne. It has become a PAL tradition for Dr. Scott to give us an update on the economy at our annual conference. This year he will discuss "Demographics, World Markets and Interesting Trends." Anyone who has ever heard Dr. Scott speak knows this will be an interesting program. Julio Melara is the President of the Baton Rouge Business Report. His inspirational presentation will be "On the Journey from Good to Great." Senator Jay Dardenne will tell us "Why Louisiana Ain't Mississippi." This presentation has been getting rave reviews and we are delighted that he has agreed to do it for us.

Conference registration material will be mailed and online registration will be available on our website toward the end of the month. Additional conference program information will be available on our website shortly.

This year PAL has scheduled our legislative reception at the Governor's Mansion to coincide with our conference. The reception will be held on the evening of May 4th and will serve as the opening night function for the conference. It is always a lovely evening and we hope that all of our members will make every effort to attend. Invitations will be mailed in mid March.

Also on PAL's horizon this month is our tour of Gulf Coast Ports with the House and Senate Committees on Transportation, Highways and Public Works and the House and Senate

Committees on Natural Resources. We will board a bus at the Capitol on March 1st and head for the ports of South Louisiana, St. Bernard, Plaquemines, New Orleans and The Millennium Port. On March 2nd, we will visit Port Fourchon, Port of Terrebonne, Port of West St. Mary and the Port of Iberia. We will end the tour on March the 3rd with visits to the Port of Lake Charles and the Port of Greater Baton Rouge. That is an ambitious schedule but we are looking forward to sharing information about the importance of Louisiana's ports with our elected officials.

Our Associate Membership continues to grow as we welcome two new members this month. If you are interested in knowing more about associate membership, please contact this office or visit our web site at www.portsoflouisiana.org.

Legislative Update

On February 9th, Governor Blanco announced the following appointments to the *River Pilot's Fee Commission*:

Christopher R. Brown, Metairie; Stephen Casenza, New Orleans; Ronald Foster, Sulphur; John Friend, Lake Charles; Allen "A.J." Gibbs, Belle Chasse; Andrew Lee Guinn, Sr., Lake Charles; Channing F. Hayden, Jr., New Orleans; John T. Hyatt, New Orleans; Erik L. Johnsen, New Orleans; William H. Krutzer, III, Monroe; Alfred S. Lippman, Lafayette; Michael Lorino, Jr., Madisonville; Michael G. Miller, Lake Charles; Michael T.D. Miller, Covington; Charles J. Morrison, Lake Charles; Joseph G. Sanderson, Belle Chasse; Jacqueline D. Vines, Baton Rouge; William O. Watson, III, Gonzales; and Paul Wegener, New Orleans;

Corporate Member News

LA Economic Development

Governor Kathleen Babineaux Blanco announced the appointment of Donald Pierson, Jr. of Bossier City as assistant secretary for Louisiana Economic Development (LED). Pierson joins LED after serving as the executive director of the Greater Bossier Economic Development Foundation, where he implemented economic development programs and job creation efforts in Bossier Parish. Pierson also managed the Bossier Chamber of Commerce, administering small business service and support programs.

Pierson earned a Bachelor of Science from United States Military Academy at West Point. He is also accredited by the International Economic Development Council as a Certified Economic Development Professional.

“Governor Blanco and Secretary Olivier are creating a culture of success and aggressive attitude toward economic development in Louisiana. We are only scratching the surface of what our state can accomplish by working together to attract and expand business here,” said Pierson. “As the Governor continues to say, ‘economic development is everyone’s business.’ I look forward to being a part of the new enthusiasm for business in the state.”

“Don has a strong background on the parish-level from which we will benefit. As a certified economic developer, Don has achieved the highest credential in the economic development profession. His experience as a practitioner will further our goals of increasing LED’s cooperation with regional and local economic development organizations and showcasing the business advantages that Louisiana provides businesses of all sizes,” said Michael J. Olivier, secretary of Louisiana Economic Development.

Pierson assumed the assistant secretary position in mid January.

Port of Terrebonne

On January 11th, the Terrebonne Port Commission announced the execution of a lease with Thoma-Sea Boatbuilders, Inc. of Houma. Thoma-Sea Boatbuilders is the first tenant at the newly developed Port of Terrebonne. “We are very excited to have a local firm expanding its operation at the port site,” said Ed Watson, Port Director. Thoma-Sea Boatbuilders is a well established local firm expanding its operations. “The port site offers the greatest opportunity for expansion,” according to Watson.



Ed Watson, Director Port Terrebonne & Robert Thomassie,

Thoma-Sea has been building vessels for over 40 years in South Louisiana. The company has leased a 9.26-acre tract at the front of the port site. “We plan to start construction of the new facility by March and begin production of vessels by the end of the year” said Robert Thomassie, President of ThomSea Boatbuilders, Inc. The quality of workmanship found in South Louisiana is the primary driver for staying locally for this new project. “The company will continue its tradition of building high quality vessels for the local and national markets” according to Thomassie. Most vessels completed at the port will be used on the Northeastern Seaboard.

The Terrebonne Port Commission recently completed improvements on Phase 3 at the port, including the construction of road way and installing of the necessary infrastructure. “The investment in the improvements at the port site is already paying dividends through the creation of new jobs,” said Joey Cehan, Terrebonne Port Commission President. One out of 8 jobs in Louisiana is port related. The Terrebonne Port

Commission is committed to the development of the Port as a catalyst for economic development and a hub for marine transportation for the region.

The 400-acre site off Industrial Boulevard has other tracts available for potential tenants. The Port of Terrebonne is located on the Houma Navigation Canal within ½ mile of its intersection with the Gulf Intracoastal Waterway. "Through aggressive marketing, I am confident that other tenants will follow Thomassie, making the Port of Terrebonne a major industrial center," said Cehan.

Port of New Orleans

Governor Blanco Dedicates New Dry Dock In New Orleans East - Bollinger Shipyards Now Hiring at Facilities in New Orleans and across Louisiana

On Jan. 11, 2005, on the day prior to her first anniversary in office, Louisiana Governor Kathleen Babineaux Blanco dedicated a new dry dock at Bollinger Gulf Repair that will service new shipbuilding and repair projects along the Industrial Canal in New Orleans East and contribute to hundreds of new shipbuilding jobs across the state.

The dry dock represents the completion of the first phase of a two-phased cooperative endeavor agreement between the state and Lockport, La.-based Bollinger Shipyards, Inc., the largest vessel repair company in the Gulf of Mexico region.

For the first phase, the state invested \$10 million to construct the dry dock. Bollinger has committed to adding 500 new jobs related to shipbuilding and repair at their yards in New Orleans and throughout Louisiana in 2005. The company is currently hiring at two New Orleans-area facilities.

Speaking to Bollinger Gulf Repair employees and New Orleans area officials, Governor Blanco pointed to the far-reaching impact and importance of the shipbuilding and repair industry in Louisiana. "I am committed to keeping Louisiana the leader in shipbuilding and repair on the Gulf Coast. One way to do this is to seek out partnerships like this one with Bollinger Shipyards," said Governor Blanco. "More than 25 percent of the nation's shipbuilding and repair takes place at nearly 160

shipyards located along the banks of Louisiana waterways. This industry employs thousands of Louisianans today. With this agreement, Bollinger and the state will create hundreds of quality jobs for skilled Louisiana workers."

"We are a Louisiana-born and a Louisiana-grown business. The state demonstrated its commitment by investing in this and other important expansion projects aimed directly at bringing more shipbuilding and repair business here. We are ready to hire skilled workers right now and are enthusiastic about our growth opportunities in Louisiana in the coming months," said Donald T. "Boysie" Bollinger, chairman of the board and chief executive officer of Bollinger Shipyards, Inc.

Bollinger will use the dry dock for vessel repair, maintenance and conversion. The dock arrived at Bollinger Gulf Repair Dec. 30. It has a capacity of 10,600 tons and measures more than 351 feet long and 136 feet wide. The wingwall height of the dry dock above the pontoon deck is 32-feet, one-inch. The distance between wingwalls is 116-feet, 2-inches.

For 40 years, Port of New Orleans industrial tenants have built or repaired marine vessels at the site of Bollinger Gulf Repair, according to Port President and Chief Executive Officer Gary LaGrange.

"Port industrial properties represent a powerful economic development tool because they are located at the center of a vital transportation network," LaGrange said. "We are extremely pleased that Governor Blanco is committed to putting together strong public-private partnerships like the one we are celebrating today."

Port of Lake Charles

Port Officials Have Active Agenda in Washington

Port of Lake Charles commissioners joined the Southwest Louisiana Convention and Visitors Bureau in Washington, D.C. during the Mardi Gras season to promote economic development for Southwest Louisiana.

R. Adam McBride, Executive Director of the Lake Charles Harbor & Terminal District, said he hopes this year's trip to Washington will prove to be as productive as in recent years when the Port officials met with national and

international trade leaders to discuss economic development and cargo handling operations at the Port of Lake Charles.

While in Washington, Port officials met with Southwest Louisiana congressional officials, US Agency for International Development (USAID) and Department of Agriculture officials to discuss various food aid programs authorized under the PL-480, Title I & II, Food for Peace and Feed the Children. Port officials also congregated with the Maritime Administration and Maritime Commission to discuss other programs that encourage the export of agricultural products from the Port of Lake Charles.

To maintain the Port's competitive edge in handling bagged agricultural products, the Port of Lake Charles is nearing completion of the last phase of an automated loading system that should be fully operational by the end of January 2005. The bagging facility has been operational since 1999. Upon completion, this multi-modal facility will combine traditional labor with automated handling to make the Port one of the most efficient ports on the Gulf Coast. This facility will enable the Port to remain competitive with other Gulf ports and will allow for a greater throughput of bagged cargo.

The Port co-hosted an economic development brunch for Louisiana's congressional delegation, business and industry representatives and high-level government representatives. Co-hosting functions in Washington, D.C. provides the Port officials and community leaders the opportunity to promote the Port, the State, and Southwest Louisiana in an informal setting.

Port of South Louisiana

The Port of South Louisiana, "America's Largest Tonnage Port," handled 248,745,280 short tons of cargo in 2004, an increase of 9.5 million short tons from 2003. The 4% boost is attributed to an increase in shipments of Crude Oil (up 19% to 60.2 million short tons), Petrochemicals (up 4% to 44.1 million short tons), and Maize (up 7% to 52.4 million short tons), to facilities within the port's 54-mile industrial corridor on the Lower Mississippi River.

Total imports of 68,827,519 short tons show an increase of 19% from 2003. The import figures show a jump of 11 million short tons that is also

credited to a higher volume of Crude Oil (up 15% to 49.9 million short tons) and Petrochemicals (up 146% to 4.1 million short tons).

Total exports decreased slightly to 52,040,413 million short tons, down 8% from 2003. The 4.6 million shortfall resulted from a decline in the exports of Animal Feed (23%-down 3.4 million short tons) and Soybeans (23%- down 13.8 million short tons).

Domestic shipments escalated by 14%, for a total 52,047,106 short tons in 2004. The 6.5 million short ton increase from 2003 is primarily due to a rise in shipments of Coal/Lignite/Coke (up 200% to 2.9 million short tons) and Crude Oil (up 90% to 7.7 million short tons).

Domestic receipts decreased by 4% to 75,830,243 short tons in 2004. Gains in commodities such as Maize (up 6% to 26.1 million short tons) and Petrochemicals (up 6% to 14.9 million short tons) managed to keep the deficit for domestic receipts at 3.5 million short tons.

The Port of South Louisiana received 3,764 vessel calls through 2004, as compared to 3,753 vessels in 2003. The port also received 55,068 barge calls (an increase of 2% from 2003), at facilities located in the parishes of St. Charles, St. John, and St. James, during the same period.



Executive Director Joseph Accardo, Jr., believes that "the total throughput at the Port of South Louisiana will continue to rise as domestic and international economic conditions favor growth at commercial markets worldwide."

Additional statistical information is available at www.portsl.com.

Associate Member Profiles



St. Bernard Parish Government

St. Bernard Parish is located just five miles from downtown New Orleans. Besides having easy access to all that the city offers, St. Bernard enjoys its own rich culture. Islenos, who came to this area during Spanish rule in the 18th century, have retained much of their rich heritage. Besides the festivals hosted by their descendants, traditional hunting and fishing villages dot the landscape. They are reminders of St. Bernard's cultural richness.

St. Bernard Parish is blessed with a transportation infrastructure second to none. In great measure this is due to its fortunate geography. The Mississippi River, Intracoastal Waterway, and the Mississippi Gulf Outlet service businesses in St. Bernard. If land transportation is your need, St. Bernard has access to railroads and enjoys the advantage of I-510 passing through the center of the business district. Anything you produce can be efficiently and economically moved to any destination in the world by your chosen mode of transportation.

St. Bernard has other advantages for business as well: they can provide investors with tax incentives for locating business there, the community has a strong work ethic nurtured by the local community College, a superior public school system, and highly honored private schools.

St. Bernard is surrounded by the bountiful waterways of Lake Borgne, the Mississippi River and Breton Sound. You can try your hand at hunting, fishing or take a drive down the San Bernardo Scenic Byway viewing stately old plantations, ancient oaks and countless scenic bayou waterways. Visit the spot where the entire nation was defended against the British during the invasion of the Battle of New Orleans at the Chalmette National Park, or enjoy one of 9 local festivals celebrating our Crawfish, Tomato,

Shrimp, Oyster or Islenos Culture, to name a few.

St. Bernard is a community of warm people who have maintained a unique identity since it was founded under the Spanish system of government in 1780. Canary Islanders, who call themselves "Islenos", flocked to the lower portion of the parish joining French pioneers who arrived in the 1720's.

When you are experiencing Deep South Living at its very best, you are "Discovering St. Bernard."

Announcement

C. H. Fenstermaker & Associates, Inc. has announced the appointment of Dr. Kam Movassaghi, Ph.D., P.E. to the position of President. To contact Dr. Movassaghi: 135 Regency Square, Lafayette, LA 70508 phone: 337/237-2200 e-mail: kam@fenstermaker.com

Legal News



HIGH WATER AND BARGE FLEETING LIABILITY

In the last several weeks, the U. S. Coast Guard Marine Safety Office has issued safety bulletins due to severe high water conditions (www.uscg.mil/d8/mso/nola.mil). Further, since the first of the year, there have been a number of marine casualties including vessel sinkings, collisions and barge fleet breakaways that have been caused by the river running high and fast.

In response, the Captain of the Port has put into effect those high water regulations intended to ensure the secure and adequate mooring of barges and vessels in our ports. These regulations (found at 33 CFR 160.803(m) High Water) require standby tugs in attendance at the fleet. The number of tugs is dependent on the size of the fleet and the type of operations underway. For instance, if barges are being shifted, two or more tugs may be required to be

on station. The regulations also require constant watch and observation of the fleet and continuous monitoring of designated radio frequencies.

In addition to increased vigilance by fleeters, the Captain of the Port also instituted the Mississippi River Crisis Action Plan (RCAP) which places limitations on line and canal towing. These limitations include a minimum 280 brake horsepower per barge, tow sizes limited to 30 barges, use of assist tugs, etc.

A barge owner has a duty to deliver a sound and seaworthy barge to its fletcher. A fletcher is entitled to assume that a fixture on a barge delivered into its custody can withstand reasonable stresses.

These principles were discussed in *Conagra, Inc. v. Weber Marine*, 2000 WL 943198. In that case, Conagra's PV 5989 barge was delivered to Weber Marine, a fleet operator, during high water. Weber inserted the barge into a group of barges and moored the group to the Mississippi River bank with a wire rope, or "shorewire," attached to a deck fitting on the PV 5989 barge. Subsequently, a Weber fleet boat repositioned the shorewire on the center bow keel of the PV 5989. Approximately 45 minutes later, the keel failed. The issue at trial was whether the resulting breakaway and damages were caused by the negligence of the fletcher, by a defect in the barge, or a combination of both.

In analyzing the liability of the respective parties, the court noted it was the duty of a barge owner to supply a seaworthy barge. The court found that the PV 5989 had a latent defect in the keel in that it was improperly and weakly welded at one point, which eventually caused it to fail. The court found that Conagra had breached its duty to provide a seaworthy barge. At the same time, the court found Weber Marine partially to blame due to its failure to comply with a Coast Guard regulation which requires a harbor tug to always remain within 500 yards of the barges in fleets. In the end, the court held Conagra to be 70% at fault and Weber to be 30% at fault.

On the other hand, the towing company's responsibility for its tow ceases upon the proper mooring of the tow at the final destination of the tow pursuant to the towage agreement. A fletcher is thereafter responsible for the care of barges in

its custody, and that includes a duty to ensure that the barges are adequately moored. Owners and operators of barges who leave their vessels with a fletcher can reasonably rely on the fletcher's expertise.

Fleeters have a continuing obligation to exercise reasonable care in conducting their operations. The fleet operator is legally responsible for ensuring proper mooring. A fletcher who fails to take adequate precautions and to implement policies designed to prevent barges from breaking out of fleets, or from sinking within fleets, faces liability for such failures.

Courts have held that the law presumes a fleet breakaway results from the negligence of the fletcher. Thus, the fletcher must be ready to prove that it at all times exercised reasonable care, acted in accord with the regulations and exercised due diligence. This can often be a heavy burden.

In sum, even in less stressful conditions, barge fleeters and owners and operators of mooring facilities bear significant responsibilities and corresponding liabilities. In severe high water conditions such as we are now experiencing, these burdens indeed weigh heavily on those who attend to the vessels that frequent our ports.



BY WILTON E. BLAND, PARTNER
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Federal Update



NOAA
NOAA Starts New Charting and Hydro Surveying of the Atchafalaya

NOAA, the National Oceanic and Atmospheric Administration, announced that the Office of Coast Survey has started a large hydrographic surveying and charting effort in coastal Louisiana aimed at updating charts of the Atchafalaya River, Bay and nearby offshore

waters. The survey effort, which will include new shoreline and hydrographic surveys, started the week of January 25th and will continue for several months. NOAA is an agency of the U.S. Department of Commerce.

“This charting effort is part of NOAA’s continuing mission to maintain and produce accurate and reliable navigational charts of the United States,” said Captain Roger Parsons, director of NOAA’s Office of Coast Survey. “This new survey and charting effort is part of NOAA’s plans to survey and update charts of critical areas of the Gulf of Mexico.”

NOAA will use the *R/V Davidson*, a 175-foot survey vessel, and two field launches and will utilize sidescan sonar surveying technology. New aerial photography will also be acquired to update the shoreline of the Atchafalaya area and to the charts for this area. A Navigational Response Team hydro survey field party, also part of the Office of Coast Survey, will join the effort and survey areas in and around the Port of Morgan City and the navigation channels of the Atchafalaya River.

Two NOAA tide and water level stations, now operating in the Morgan City and Atchafalaya Delta, will provide tide and water level records as part of the survey effort.

The Office of Coast Survey, a component of NOAA’s National Ocean Service, has a long history as the oldest scientific organization in the United States, dating to 1807. Today the Office of Coast Survey is known for the useful and necessary navigational products that are required for the safe and efficient maritime commerce in and out of our nation's ports.

NOAA’s Ocean Service is dedicated to exploring, understanding, conserving, and restoring the nation’s coasts and oceans. The NOAA Ocean Service balances environmental protection with economic prosperity in fulfilling its mission of promoting safe navigation, supporting coastal communities, sustaining coastal habitats and mitigating coastal hazards.

NOAA is dedicated to enhancing economic security and national safety through the prediction and research of weather and climate-related events and providing environmental stewardship of the nation’s coastal and marine resources.

NOAA-LSU-Port Position

NOAA has funded the establishment of a new position as part of the Louisiana Sea Grant Program. The position is focused on providing resources and assistance to the Ports of Louisiana. The following advertisement has been posted by the Sea Grant Program for this new position.

TITLE: Research Associate 4

DEPARTMENT: Office of Sea Grant Development

QUALIFICATIONS: Masters degree in a field related to resource economics, business, natural resources management, environmental studies, coastal policy, civil or environmental engineering. One year experience in applied research dealing with coastal development issues. Must be able to work independently, follow through on a plan of work, and have a demonstrable proficiency in report writing. Knowledge of coastal Louisiana's environmental issues, the role of ports in the coastal economy, GIS, spreadsheet and databases is required. Overnight and possibly weekend travel will be required.

MAJOR RESPONSIBILITIES: Major responsibilities are to formulate and conduct applied research and outreach programs dealing with coastal Louisiana ports and the environmental issues they confront. Specific duties include:

- (1) compiling and providing relevant environmental related research information to Louisiana's coastal ports;
- (2) conducting applied research and outreach activities related to Louisiana coastal ports development and environmental issues;
- (3) conducting educational programs for coastal ports leaders and resource managers to help expand the understanding of coastal port's operations and their challenges;
- (4) interacting with Sea Grant and other university-based researchers and Sea Grant Extension faculty;
- (5) coordinating research and outreach activities with relevant federal, state and local agencies and other partner organizations; and
- (6) presenting research results at state, regional and national meetings.

SALARY: Commensurate with education and experience.

ANTICIPATED HIRE DATE*: March 1, 2005 or until candidate is found.

APPLICATION DEADLINE: February 15,

2005.

SUBMIT APPLICATION TO: Submit letter of application and resume (including e-mail address) to: Mr. Michael M. Liffmann, Associate Executive Director, Office of Sea Grant Development, 234 Sea Grant Bldg., LSU, Baton Rouge, LA 70803, Phone: (225) 578-6290.

America's Wetlands

Recently, the National Association of Counties (NACo), the voice of America's counties, ran a set of articles about Louisiana's coastal land loss and efforts to restore America's WETLAND, in its newsletter, "The County News." Click on the following link to read the articles.

<http://www.naco.org/CountyNewsTemplate.cfm?template=ContentManagement/ContentDisplay.cfm&ContentID=14710>.

Welcome New Associate Members

PAL would like to welcome two new associate members.

JP Morgan Chase is the financial services division of Bank One. They are located in Baton Rouge and will be represented by Mr. Jeff Gould.

The Coastal Ecology Group, LLC is an environmental, health and safety consulting firm. They are located in Baton Rouge and will be represented by Mr. Dan Shuler.

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

March 10, 2005 – PAL Monthly Meeting – Baton Rouge – Richmond Suites 10AM

March 9-11, 2005 Louisiana Planning Council – Louisiana Transportation Technologies Annual Conference – www.crp-la.org Embassy Suites, Baton Rouge, LA Agenda and sponsorship information available on-line

March 15-17, 2005 – Inland Waterways Navigational Conference – Radisson Hotel Opryland – Nashville, TN 1-615-889-0800

April 7, 2005 - PAL Monthly Meeting – Baton Rouge – Richmond Suites 10AM

May 4-6th, 2005 – PAL 22nd Annual Conference "Reinventing Louisiana Ports" - Sheraton Argosy Hotel – reservations 1-888-627-8567

Louisiana
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