

NEWS FROM THE DOCKS



ASSOCIATION OF LOUISIANA

Louisiana Ports Deliver

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Message from the PAL Office

Are you planning to come to Lake Charles? If not you are going to miss a great conference. Registration packets have been mailed. Complete the form and return it to the PAL office. If you did not get a packet, you may go to www.portsoflouisiana.org to view a complete agenda and register on-line. As you will see, the agenda offers views from industry experts and economists as well as discussion about the current political landscape. We will address storm issues and we will plan for the future. You need to be there!

Sponsorship opportunities are still available. PAL will be happy to provide you with the necessary materials. Call our office at 225/334-9040 for further information.

PAL continues to encourage maritime related industries to become Associate Members. Our dues are only \$200 per year and membership insures your invitation to attend all of our meetings and activities. It is absolutely the best way to become acquainted with Louisiana's port industry. If you are interested in joining, please visit our website at www.portsoflouisiana.org.

Message from the Executive Director

I was fortunate to be a part of the January 9th-13th trip to the Netherlands with federal and state official to see their flood control structures and to receive information on the methods utilized to design, build and manage their flood protection system. The trip was very was instructive. The lesson learned in the Netherlands, which we should adopt, is that they have developed a comprehensive levee/flood and water management plan which provides

comprehensive flood protection and at the same time allows for commercial, shipping and navigation to be at the heart of the economy. In the Netherlands, a comprehensive flood/water management plan has been implemented by a cooperative agreement among the national government, local provinces, and the 27 water boards, which has strong local and national financing methods in place for both construction and maintenance.

The special session of the Legislature which began on February 6th will consider legislation which centers on Levee Board consolidation, New Orleans government consolidation and elections, La. Recovery District powers, Housing, Insurance, authorization to issue Gulf Opportunity Zone bonds, and the issue of sales taxes on barges raised by the Mallard Bay case.

Several legislators have introduced bills to limit expropriation of property for transfer to private entities for economic development, which may not be germane to the call, and in the event of that ruling, these bills may be introduced at the Regular session later this spring. This is an issue, which ports, and the maritime industry should follow, since ports have limited expropriation powers.

Another issue, which has remained unresolved, is the opinion by the La. Attorney General that the use of state owned water bottoms by ports will require a lease from the state. The ports of the state have questioned the validity of the opinion contending that the enabling legislation of the various ports has granted the right to use state water bottoms in exchange for the economic development activities which occur at ports. The ports will ask for reconsideration by the attorney general of this opinion.

The Ports Association is now scheduled to present its recommendations to the Louisiana Maritime Advisory Task Force at its March 1st meeting. This is in addition to the earlier presentations by PAL and several affected ports on Hurricane Katrina and Rita damages, and presentation by Roger Richard on the Port Construction and Development Priority Program.

PAL has also participated with the Ports Critical Issues Subcommittee of the La. Recovery Authority, to provide guidance to the LRA relative to the repair and restoration of port facilities and operations affected by Hurricanes Katrina and Rita.



Joe Accardo
Executive Director

DOTD NEWS

The Ports Recovery Critical Issues Action Team chaired by D.J. Webre, in a letter of February 7th, has made the following recommendations to the LRA Infrastructure and Transportation Recovery Team:

The Ports Recovery Critical Issues Action Team in conjunction with its Advisory Council has identified the following as needed for recovery from Hurricanes Katrina and Rita:

1. Repair of all hurricane damaged public port infrastructure that provides viable operations.
2. Funding assistance for viable unmet needs remaining after insurance and FEMA Public Assistance.
3. Funding assistance for viable infrastructure needed to satisfy definite market needs for economic recovery.

In most cases, insurance and FEMA Public Assistance will provide funds to repair the hurricane damaged public port infrastructure but there will be some unmet needs. A methodology to select and prioritize requests for funding

assistance to repair and/or construct said infrastructure is required.

After much discussion, we defined a viable project as a port activity that satisfies a market need, is capable of working, functioning and developing adequately and having a reasonable chance for succeeding. Criteria similar to the “Port Construction and Development Priority Program” can be used to determine viability such as:

- Existing market need;
- Return on public investments by user fees;
- Benefit-Cost ratio equal to one or more; and
- Project does not relocate port business from one Louisiana port to another one.

While benefit–cost ratio may be used for prioritizing the projects, other factors such as port’s performance, environmental impacts, etc., need to be factored into the ranking.

We believe the desired outcomes for recovery are achievable by tasking the Ports Recovery Critical Issues Action Team to collect and evaluate applications from the ports in accordance with a program similar to the Port Construction & Development Priority Program, except as follows:

1. The program name would be the “Louisiana Recovery Authority – Infrastructure and Transportation Ports Recovery”.
2. The state’s funding share would be that provided by the Louisiana Recovery Authority.
3. The local match, if required, would be that established by the Louisiana Recovery Authority.
4. Requests for unmet needs for viable projects would be funded prior to funding new viable projects.
5. The Department of Transportation & Development would submit a list of recommended projects to the Legislature and the Louisiana Recovery Authority.

The Department of Transportation & Development has developed rules and regulations along with procedures to implement the Port Construction & Development Priority Program created by Act 452 of the 1989

Legislative Regular Session. During the last 15 years the Department has recommended port infrastructure projects costing \$230 M to the state and has provided guidance in their construction. For every state dollar spent through the program, the state has realized a \$6.26 return.

The criteria to select and prioritize port infrastructure funding requests are in place. The rules and regulations have been adopted by the Department in accordance with the Administrative Procedures Act. We are ready to notify the ports upon the approval of these recommendations by the appropriate authority, possibly by including them in legislation for the Louisiana Recovery Authority.

Corporate Member News

Port of New Orleans New Orleans Cold Storage Reopens Alvar Warehouse

After sustaining heavy damages from Hurricane Katrina, New Orleans Cold Storage, the leading exporter of frozen poultry in the Gulf region, has reopened one of the three warehouses that it operates in New Orleans. The Alvar Street warehouse is located on Port property and has the ability to store 12 million pounds of chilled product and blast freeze 280,000 pounds per day.

“Our customers have come pouring back to support us,” said Mark Blanchard, executive vice president of New Orleans Cold Storage. “It’s really overwhelming.”

Between 2000 and 2004, NOCS grew its breakbulk cargo levels from 127,000 metric tons to 229,000 metric tons and grown its workforce by 70% to employ over 200 warehouse and longshore workers.



“The return of poultry exports to the Port of New Orleans marks another important stride in our recovery effort,” said Port President and CEO Gary LaGrange. “Jumpstarting this line of business for the port will help attract more workers back home to New Orleans and will ease some of the logistics issues that poultry processors have been facing after Hurricane Katrina wiped out ports along the Gulf Coast.”

Hurricane Katrina damaged three warehouses that NOCS operates in the New Orleans area and caused 52 million pounds of poultry to spoil at its facilities. The Alvar Street facility had roof damage, but its refrigeration units remained intact. The company decided to focus on repairing the Alvar Warehouse first because it was the quickest way to restart its operations.

Container Cargo Levels, Ship Calls Continue To Rise

Container cargo levels at the Port of New Orleans topped 80 percent of pre-storm levels recently, as the Port’s recovery from Hurricanes Katrina and Rita moves forward.

According to Port figures, Napoleon Avenue Container Terminal daily gate moves topped 800 twice last week, nearing the pre-storm average of 920 per day or 87 percent of pre-Katrina levels. Daily gate moves are averaging about 750 per day currently and improving steadily. Gate moves count the number of containers coming into and out of the Port on a daily basis. Stevedores also report nearly 1,000 import containers are scheduled to be shipped here next week.

“These are remarkable figures,” said Gary LaGrange, the Port’s President and CEO. “Pundits told us after the storm that we wouldn’t work a ship here for six months. Well, here we are not even five months out and our recovery process is on pace with our own demanding schedule. These accomplishments truly reflect an outstanding effort from the entire Port community.”

In addition, all terminal operators throughout the Port are reporting strong break-bulk cargo volumes and each is predicting a robust first quarter of 2006. Break-bulk cargo is non-containerized cargo, including steel, aluminum and rubber. Figures show Port activity is approximately 65 percent of pre-Katrina levels.

In other news, ship calls continue to remain high as 23 vessels, including 10 container vessels, are scheduled to call on the Port this week. P&O Ports will work more than a dozen vessels, while Ceres Gulf, CSA Vessels, Coastal Cargo Company, Empire Stevedoring and Pacorini will all work multiple ships.

One vessel of note is National Shipping Company of Saudi Arabia's 816-foot *Saudi Tabuk*. The vessel, scheduled to dock at the Nashville Avenue B Wharf January 24, marks the return of NSCSA to regular every-two-week-service to the Port of New Orleans.

Norwegian Cruise Line (NCL) and the Port of New Orleans announced that NCL will be the first cruise line to homeport in New Orleans since Hurricane Katrina. NCL's Norwegian Sun returns to the Port of New Orleans on October 15, 2006 to sail seven-day exotic Western Caribbean cruises.



"We are pleased to return Norwegian Sun back to her winter home in the Big Easy and in some small way assist in the recovery process of New Orleans," said Andy Stuart, executive vice president of sales, marketing and passenger services for NCL. "We look forward to continuing our partnership with the Port of New Orleans and welcoming passengers back on board to explore the Western Caribbean from this historic city."

"New Orleans blossomed into one of the most popular points of embarkation for cruise ship customers and was on pace to break the 1 million-passenger mark," said Gary LaGrange, President and CEO of the Port of New Orleans. "The cruise industry evolved into a major economic engine for the entire city, generating

\$226 million in direct and indirect sales annually. NCL is a vital part of that success and I commend them for their support and commitment to the rebuilding of a greater New Orleans."

Norwegian Sun's seven-day itinerary out of New Orleans begins October 15 through April 8 and calls on Costa Maya, Mexico; Santo Tomas De Castilla, Guatemala; Belize City, Belize and Cozumel, Mexico.

***Port of New Orleans Welcomes First Turn-Around Cruise Ship
P & O's Arcadia Brings Bevy of British Tourists***

P&O Cruise Line's vessel, the *MV Arcadia*, docked at the Port of New Orleans' Julia Street Terminal on February 9th, arriving from Cozumel, Mexico, with 1922 British passengers on board. The 935 ft. luxury vessel, built in 2005 is on its maiden voyage and is making a three-day New Orleans port call, consisting of two separate cruises. The *Arcadia*'s arrival marks the first cruise ship since Hurricane Katrina to exchange passengers in New Orleans.

Passengers who are ending their cruise in New Orleans boarded buses for scheduled tours throughout the city today. These visitors are staying on board overnight before disembarking on Friday afternoon, February 10, for their scheduled chartered flight back to the U.K. New passengers will embark the vessel Friday afternoon enjoying scheduled tours in New Orleans on Saturday before beginning a 15-night cruise with stop-offs at Key West, San Juan, St. Kitts, St. Lucia, Tobago, Trinidad and Barbados.

"It's a great opportunity for the *Arcadia* to perform the first turn-around in New Orleans after Katrina," said Captain Andrew Keith Dowds, Captain of P & O's *Arcadia*. "Our passengers are very excited to see the city of New Orleans."

Many of the 1922 passengers and the 869 crew members were looking forward to sightseeing and enjoying the flavor of New Orleans this past December, but were disappointed when their voyage was cancelled due to the circumstances of the storm. "The passengers who had their trip postponed in December are delighted to have the

opportunity to now see New Orleans," said Captain Dowds. "It was terrible when Katrina hit, and it amazing to see how the city has come back from it."

Before Hurricane Katrina, New Orleans was one of the fastest growing cruise ports in the country. Cruise passenger embarkations and disembarkations grew 818 percent in the last 11 years, from about 80,000 in 1993 to 753,000 in 2004.

P & O's *Arcadia* is another milestone in the return of the New Orleans cruise industry since the storm. The *Delphin Renaissance* was the first cruise ship to call on the Port of New Orleans on New Year's Eve. Norwegian Cruise Lines has committed to returning its *Norwegian Sun* on October 15 to sail seven-day exotic Western Caribbean cruises. Royal Caribbean's *Grandeur of the Seas* will return to the Crescent City for the winter cruise season of 2006 with seven-night sailings, and Carnival has scheduled the *Sensation* to return to operate year round four and five-day cruises as soon as possible.

The next cruise ship to call on the Port of New Orleans will be Swan Hellenic's 600-passenger *Minerva II* on February 22-24.

Port Fourchon

The Greater Lafourche Port Commission announces the release of a new port video illustrating Port Fourchon as a world-class facility positioned to meet the challenges of the future.

Port Director, Ted Falgout said, "Port Fourchon's well-planned port facilities and services have become a vital link in the support of our nation's energy supply".

Also featured in the video are the South Lafourche Leonard Miller, Jr. Airport located in Galliano and 1200 surrounding acres owned by the Commission, 22 miles north of the port. The complex is well positioned to become an international aeronautical hub to support Gulf of Mexico oil and gas activities, just-in-time cargo, and charter fishing.

Falgout adds, "The new Port video clearly illustrates our significance and our direction into the future".

TLW Productions in New Orleans produced the port video. To view the new port video, go to www.portfourchon.com . You will need Windows Media Player.

Mooring Dolphins in Flotation Canal

The Greater Lafourche Port Commission has recently completed construction of nine mooring dolphins located near the northern bank of the Flotation Canal in Port Fourchon. The dolphins are grouped into three sets of three dolphins apiece. The dolphins within each set are equally spaced seventy-five feet apart from one another with the three groups spaced one hundred fifty feet from one another. The dolphins are available free of charge on a "first come, first serve" basis for short term docking of manned, motorized vessels. All dolphins are available for lease at the rate of \$75.00 per day for unmanned or non-motorized vessels or for vessels requesting a preferential berth (paying vessels will have first preference). Additionally, anyone interested in long-term use of the dolphins may submit a request to the Port.

If you have any further questions or concerns regarding the mooring dolphins or are interested in leasing the dolphins either at the daily rate or under long-term lease, you may call (985) 632-6701.

Port of South Louisiana

The Port of South Louisiana has been working to establish a trade cooperation agreement with the Port of Dakar Authority and the nation of Senegal, West Africa, for approximately one year. The official agreement signing ceremony took place on Wednesday, January 18, 2006 at the World Trade Center in New Orleans, Louisiana.

The Senegalese delegation was represented by officials from the Port of Dakar Authority and members from the government of Senegal. Executive Director Joel T. Chaisson, who visited and initiated the accord with the Port of Dakar in November 2005, represented the Port of South Louisiana at the ceremony.



The trade agreement is part of the Southern U.S. Initiative (SSI), established to develop the economy of Senegal. The plan was created by U.S. Global Business Consultants, to build stronger trade, investments, tourism, and cultural relations between Senegal and the southern region of the U.S. President George W. Bush visited Senegal in 2003, to encourage closer commercial and cultural relations with all African nations.

In 1995, Louisiana became the first state to organize an official SSI trade and investment mission to Senegal. The economic and cultural information exchange was the first in a series of subsequent missions sponsored by the Louisiana Department of Economic Development's Office of Trade Development. Louisiana was chosen because of the common French Culture shared with Senegal, a former French Colony.

Senegal (the western-most nation in Africa), and the Port Authority of Dakar, are emerging trade markets. Hydro-carbon potentials in the Senegal basin have increased tremendously in recent years according to Petrosen, the national oil company of Senegal. Petrosen and the government of Senegal are aggressively positioning the nation as a hub for oil and gas exploration in Northwest Africa.

The Port of South Louisiana has established trade routes to South Africa via Gulf Africa Lines (GAL), which provides regular liner service to Globalplex Intermodal Terminal approximately every two weeks. Chaisson, CEO of "America's Largest Tonnage Port," believes that the agreement has "great potential for future trade alliances in Africa. GAL's Panamax service to Durban and Johannesburg in South Africa should provide the Port of South Louisiana with an economic advantage to

expand trade routes into Senegal and potentially other nations in the Northwest Africa region."

**PORT OF SOUTH LOUISIANA WELCOMES
 NEWEST LONG-TERM TENANTS**

The Port of South Louisiana recently signed long-term leases with the following companies:

NATCO - The New Orleans Meat Company is a high end meat service provider to hotels, casinos and other commercial sources. NATCO, a family operated business outgrew its 80 year old facility in New Orleans and with the collective assistance of the State Of Louisiana LED, St. John the Baptist Parish and the Port of South Louisiana, NATCO now calls Reserve, Louisiana home. NATCO expects to bring approximately 75 jobs to the Port area.



BARTON MINES - Barton Mines began a value added service by packaging bulk sand into 50# bags and super sacks for commercial distribution. This operation consists of an automated filling and palletizing machine. The operation has added additional jobs to the Globalplex facility and a long-term client base.



Terrebonne Parish Port Commission

Retirement of Ed Watson at Port Terrebonne has caused the parish to issue the following announcement:

Terrebonne Port Commission Seeks Director

Position is responsible for implementation of all policies and procedures as set forth by commission and administration/operational aspects of port, which include a 400-acre development and public marina.

Responsibilities also include, but not limited to, the following: marketing, planning, coordination, representation to local, state, and federal entities, site operations, personnel management and budget preparation/over site.

Requirement(s) (including but not limited to the following):

1. Four-year College degree.
2. Experience in port activities, maritime, planning, real-estate development, management, or legislative processes/governmental activities.

"All submissions are subject to disclosure requirements pursuant to LSA-R.S. 44:1 et seq. All submissions are public record."

Closing date to receive applications and resumes for this position is Wednesday, March 1, 2006.

Legal News

UPDATE

I previously reported following the October 15, 2003 allision involving Staten Island Ferry ANDREW J. BARBIERI in which eleven passengers were killed and many more were injured, that Assistant Captain Richard Smith, who was at the wheel, pled guilty to eleven counts of manslaughter. In January of this year Chief Edward Korman, U.S. District Court, Brooklyn, sentenced Smith to eighteen months in jail. Patrick Ryan, the City's former Ferry Director, who pled guilty to one count of manslaughter and to making false statements, was sentenced to one year. The sentencing was met with mixed emotions by surviving family



members, most of whom wanted much stiffer sentences imposed.

In the civic arena more than two hundred people have brought lawsuits against the City. It has settled seventy-three suits for \$2.4 million. The City has also filed a complaint to limit its liability to the value of the ferry, \$14.0 million. The Judge has delayed ruling on the issue pending further discovery.

This continues the trend of local authorities invoking criminal sanctions against corporate officers of maritime companies whose actions may amount to gross, wanton or reckless misconduct in causing death to crew, passengers or third parties.

New U.S.C.G. Requirements

Effective January 17, 2005, marine operators must report casualties that cause "significant harm to the environment" and by requiring certain foreign flag vessels, such as oil tankers, to report marine casualties that occur in waters subject to U.S. jurisdiction, but beyond U.S. navigable waters, when those casualties involve material damage affecting the seaworthiness or efficiency of the vessel or significant harm to the environment. (46 CFR Part 4).

Effective June 20, 2006, the Coast Guard will require that mariners or their employees involved in a serious accident are tested for alcohol use within twenty-four hours of the occurrence. This mandate also requires that most commercial vessels have alcohol-testing devices on board, and authorizes the use of saliva as an acceptable specimen for alcohol testing. This rule also makes some minor procedural changes, including a thirty-two hour time limit for collecting specimens for drug testing following a serious marine incident. (46 CFR Part 4).



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NOAA



Terrebonne Parish will soon start the monitoring of elevations within the Parish with a network of 458 points to be surveyed starting in the near future. Using the NOAA Elevation Reference Network for Coastal Louisiana (which recently updated the elevations of coastal Louisiana), the Parish will use the network to monitor the movement of elevations. Using 2 of the 9 NOAA reference points in the Parish each year, the Parish will monitor the movement of elevations in the Parish. When the surveying of the NOAA reference marks show a 10-centimeter (approximately 4 inches) of elevation change, the Terrebonne Parish elevation network will be resurveyed and adjusted downward.

Mr. Jack Gardner of the Parish is coordinating this elevation monitoring effort. He can be reached at 985-873-6733 or JGardner@tpcg.org

Information on the NOAA elevation reference network can be obtained from Denis Riordan, NOAA NGS, at Denis.Riordan@noaa.gov

Coast Pilot Disaster Impact Web site

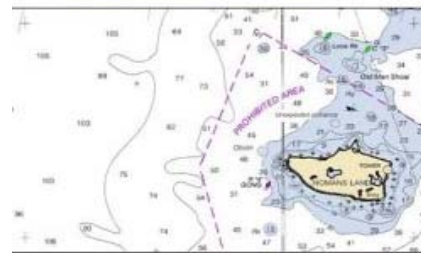
<http://www.nauticalcharts.noaa.gov/nsd/cpgulf/cpgulf.htm>

NOAA's Office of Coast Survey's Coast Pilot Branch has established a special Disaster Impact Web site to report on the recovery efforts of the port facilities, waterways, coastal facilities, commercial fishing docks, processing plants, fuel terminals, etc., impacted by Hurricanes Katrina and Rita. The Coast Pilot Branch publishes a suite of nine books covering the entire U.S. coast. These books contain important information about port facilities, channel depths, and hazards to navigation. This information can be drastically altered by a disaster such as a hurricane, and changed again as the port recovers.

The purpose of the Disaster Impact Web site is to help facilitate the recovery efforts by providing a resource for port facilities, harbors, marinas, waterways, marine terminals, plants, etc., to use by managers, operators, and others to send critical information to the Coast Pilot Branch quickly and conveniently. This information will be promptly evaluated and

posted on the web site where the mariners and the coastal community and fishing interests can access, under one resource, the most current information available regarding the impacted ports and coastal areas. The web site will remain active until the ports and waterways, and coastal areas impacted by the hurricanes recover.

NOAA has developed a new **On-Line Chart Viewer** to allow for the viewing of NOAA charts of the Gulf Coast and nation. This viewer can be used by coastal ports, communities, state, local and federal agencies, universities and the public as a reference for various coastal areas, near shore and offshore areas.



Charts of the Gulf and Gulf Coast States can be viewed at the following site:

<http://www.nauticalcharts.gov/viewer/GulfCoastTable.htm>

America's WETLANDS

Please help support the preservation of Louisiana's Coastline by signing the **petition to save America's Wetlands**.

<http://www.americaswetland.com/>

MARK YOUR CALENDARS

February 16-17, 2006 – 2006 Environmental Regulatory Compliance Conference – Alexandria, LA

February 21-23, 2006 – 2006 Port Productivity Conference, Charleston, S.C. (206)709-1840 ext. 22

March 14-16, 2006 – Inland Waterways Conference "Responding to Emergencies on the Inland Waterways" – Hilton Memphis - <http://www.inlandwaterwaysconference.com/>

March 22-24, 2006, PAL Annual Conference – L'Auberge du Lac Hotel Lake Charles, LA (call 1-866-580-7444 and your code word is SPORT)

Louisiana
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