

NEWS FROM THE DOCKS



ASSOCIATION OF LOUISIANA

Louisiana Ports Deliver

March 2006
Volume 7, No. 3

Message from the PAL Office

Its getting closer and closer... PAL's 23rd annual conference will be held in Lake Charles March 22-24th. All of the plans have been made and we are just waiting to greet you! If you have not yet registered for the conference, visit our website and register now.

www.portsoflouisiana.org

As always the conference has been planned to provide an informative and educational agenda with a lot of opportunity to meet and network with Louisiana's maritime industry leaders. Adam McBride and his staff in Lake Charles have worked very hard to assure that this will be the best conference ever! Don't miss it!

PAL is also planning our Annual Legislative Reception. It will be held on Tuesday, April 4th in conjunction with Ports Day at the Legislature. PAL will start the day by meeting with the Joint Transportation Committee to inform the legislature about port needs for recovery and growth. We invite all of our associate members to join us to let the legislature know how important these issues are to Louisiana's economy. (10:30am, House Committee Room 6)

That evening our annual reception will be held at the Governor's Mansion. There will be good food, entertainment and an opportunity to have informal discussions with our elected officials. Mark your calendar now. Invitations are in the mail.

This month we welcome two new Associate Members. PAL Associate Membership provides you with many advantages. Visit our website if you are interested in joining.

Message from the Executive Director

This month PAL was invited to appear before the Maritime Advisory Task Force. We took advantage of that opportunity to present a document outlining the importance of ports to Louisiana's economy and PAL's recommendations for the recovery and growth of the maritime industry in Louisiana. It is PAL's request that those recommendations be incorporated in the Task Force's report to the Governor.

The Joint Committee on Transportation Highways and Public Works will conduct a public hearing on March 14th in House Committee Room 6 to review the Port Construction and Development Priority Program on March, 2006. At that time, DOTD will present a prioritized list of projects and interested parties may make comments relative to projects in their area.

On 3/27, the first day before the start of the regular session, the committee will meet again to adopt the Recommended Construction Program presented by DOTD.

PAL has solicited proposals for development of a Master Capitol Plan for Louisiana Ports. Nine proposals were received. It is anticipated that a consultant will be selected at the PAL Board meeting, which will be held during the Annual Conference in Lake Charles. The Plan is expected to be completed by July 1.

House Bill 60 – Mallard Bay legislation passed during the special session. This firmly establishes that a barge is indeed a vessel for the

purpose of state and local sales tax exemption. This clarifies issues that arose as a result of the State Supreme Court ruling in the Mallard Bay case.

The elephant in the room this entire month has been the proposed buy out of P&O Ports by DP World. Hopefully that issue has been settled with the result being that US owned companies will operate port facilities. It is important to understand that the ports had no control over this issue. The question of whether it is safe for the company to operate in the United States is a decision to be made by the federal government, specifically the U.S. Committee on Foreign Investment. The committee includes representatives from the departments of Treasury, Defense, Justice, Commerce, State and Homeland Security.

The regular session of the legislature will begin at noon on March 27th. There are none different pre-filed bills relative to limiting expropriations. PAL will consider taking a position on these bills at the Board Meeting on March 24th. If the individual members of PAL have concerns about the limitations of the expropriation powers, it would be appropriate to discuss this issue with their legislative delegation. Most ports have the power to expropriate property for “public purposes”, and have utilized that power judiciously being careful not to abuse the privilege. If the proposed limitations become law without amendments, the definition of “public purpose” will be restrictive and ports will not be able to transfer or lease facilities to private companies which may have been built on any expropriated property. The House Civil Law Committee will begin hearings on the expropriation bills on March 21st.



Joe Accardo
Executive Director

Corporate Member News

Port of Shreveport-Bossier

Omni Specialty Packaging was named vendor of the year in 2005 by Lowe's and O'Reilly Auto Parts. The recent addition of warehouse space has allowed Omni to operate more efficiently and cost effectively which helps them meet and/or exceed the service level expectations of their customers, according to company officials.

A-1 Productions/Disney filming the upcoming movie –“ The Guardian” has leased space in The Port Transit Shed to begin shooting segments of the film. “The film industry has been a great boost to the economy in the Shreveport-Bossier area and we are pleased to be able to play a part in facilitating that” stated Lynn Austin, President of The Caddo-Bossier Port Commission.

Trusouth Oil's construction of a manufacturing facility designed for blending, compounding, packaging and distribution of petroleum based lubricants and solvents will be in operation by the end of April with plans for expansion already being discussed.

Port of New Orleans

LaGrange Looks To Future, Cites Recovery Milestones In Annual Address

Port Activity Reaches 100 Percent Of Pre-Katrina Levels Ahead of Schedule

In a speech originally scheduled for September of 2005, Port of New Orleans President and CEO Gary LaGrange outlined hurricane recovery milestones and spoke of the future of shipping and cruising in the Crescent City during his annual State of the Port Address at a luncheon hosted by the World Trade Club of Greater New Orleans at the Plimssoll Club.

In a theme repeated throughout his speech, LaGrange reiterated, “*It's not how far you fall, but how high you bounce.*”

LaGrange cited the Port's recovery process and its milestones along the way before announcing Port activity has reached 100 percent of pre-Katrina levels ahead of his own aggressive six-month schedule.



“With only the upriver portion of our facilities operational – which constitutes 70 percent of the Port – we now have achieved 100 percent of our pre-Katrina activity in the last two weeks!” he said.

“In all of 2004, those facilities averaged right at 20 ships per week – so with a little luck and a lot of hard work – we’re hoping to sustain this activity, grow our ship calls further and lead the recovery for the entire New Orleans region,” LaGrange said.

While the current numbers are strong, LaGrange said general cargo activity is down about 20 percent for the fiscal year, which runs from July 1 to June 30. LaGrange said cargo was down on initial ships entering the Port and shipping officials had to regain confidence in a city after watching countless images of flooding and devastation.

“But every successful shipment of cargo reinforces what we have been saying all along to the shipping community: ‘We are open for business!’ LaGrange said.

Due to backlogs and interruptions in data processing, Port officials were unable to breakdown individual commodity figures for the 2005 calendar year. However, November-to-November comparisons reflect imports were down 29 percent and exports slipped 16.7 percent, reflecting little activity in September and October.

LaGrange also stressed an economic impact study completed just three days before Hurricane Katrina made landfall. The firm Martin Associates found the number of jobs the Port provided statewide grew to 160,498 in

2004, compared to 107,345 in 2001. Also, personal earnings produced by those jobs grew to \$8.5 million from \$2.3 million with an average salary of \$42,000.

“This is a critical figure, as community leaders stress job creation as the top priority each year to build our economy and retain our best and brightest,” LaGrange said. “And no period of time is as important as now in our history.”

Other key figures in the study illustrated the Port’s cargo and vessel activity accounted for \$17.8 billion in total economic activity in Louisiana and generated \$882.1 million in state and local tax revenue and was responsible for another \$1.4 billion in federal income tax revenue.

The Port’s \$84 million in hurricane damage was another topic of the speech, along with the Port’s need to replace capacity, mitigate tenants that need deep-water access along the Mississippi River – Gulf Outlet, and identify potential sites for new facilities.

“We are now faced with a challenge of shoehorning some of the capacity and facilities that we lost on the Inner Harbor Navigational Canal into our current footprint along the Mississippi River,” LaGrange said. “While we do have a little room to grow along the Mississippi River Terminal Complex on the east bank, we have to re-evaluate every riverfront property in our jurisdiction.”

If a few of the current tenants are unable to relocate or restart operations at the Port, LaGrange said it is critical to work with the Ports Association of Louisiana to retain that economic activity in Louisiana.

LaGrange also cited the Port’s \$226 million cruise industry as a business segment that will lead the city’s recovery, as all three cruise lines are scheduled to return to New Orleans in 2006.

“The city might have been plagued with high water, but the New Orleans cruise industry continues to sail,” he said.

LaGrange concluded the address with a lesson he was taught by the 2005 storm season.

“This city’s future, this state’s future and this Port’s future are all intertwined,” he said. “You

can have the best Port facilities in the world, but at the end of the day it's the people that make a great Port... We are a strong family of hardworking people in this state. We will rebuild our lives and we will rebuild this Port."

.....
***Swan Hellenic's Minerva II Calls On Port
The 600-Passenger Ship Is Third To Visit
New Orleans Since Hurricane Katrina***

London-based Swan Hellenic Discovery Cruises' *Minerva II* docked at the Port's Thalia Street Wharf with its 600 passengers ready to participate in the city's 150th celebration of Carnival.



Port, City and Ship officials hailed the ship call as another step toward the rebuilding of the New Orleans tourism industry.

"We are very excited to call on New Orleans and support the city on its path to recovery," said Tony Dyson, managing director of Swan Hellenic.

New Orleans Mayor Ray Nagin took part in the ship's guest speaker program and offered insight to the Crescent City and a heartfelt welcome to cruise passengers. Nagin also commented on the economic benefits of the *Minerva II's* visit.

"The *Minerva II* is leading the way for the commercial cruise ship industry to return to New Orleans. This is a clear indication of economic growth in our city and the Port of New Orleans," Nagin said.

Gary LaGrange, the Port's president and CEO, reiterated each ship's role in helping New Orleans rebound.

"We are delighted to welcome the *Minerva II* to the Port of New Orleans," LaGrange said. "Each ship that calls on our great city plays a role in the rebirth of the soul of America."

New Orleans is the first port of call on Swan Hellenic's two week "Isles of the Deep" cruise, which runs from February 23 until March 10 through the Western Caribbean. The ship will visit Progreso to tour ancient Mayan ruins, George Town, Port Antonio, Guarano Bay, Willemstad, La Guaira for Caracas, El Guamache, Port of Spain and Bridgetown.

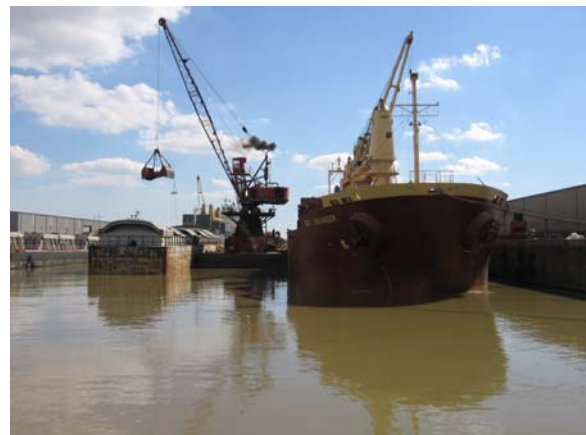
Throughout the last decade, the cruise industry grew to be a major economic force in the local economy. Cruise passenger embarkations and disembarkations grew 818 percent to more than 735,000 in 2004. The industry had a \$226 million annual impact on the local economy prior to Hurricane Katrina.

And the Port of New Orleans will begin welcoming its three established cruise lines that homeport here beginning this fall. Norwegian Cruise Lines will replace its *Norwegian Dream* with its *Norwegian Sun* on October 15 for its regular seven-day itinerary.

Carnival Cruise Lines will return the *Sensation* for its regular four- and five-day itineraries later in October, followed by Royal Caribbean's *Grandeur of the Seas*, which sails seven-night Western Caribbean itineraries, in December.

Port of St. Bernard

Maritime Activity is quickly recovering at the St. Bernard Port Facilities. The photo below shows the port's terminal operator, Associated Terminals, discharging over 8,000 metric tons of Potash from barge to vessel. In the background a second vessel is also being off loaded with over 13,000 metric tons of cargo. In 2005 the Port saw nearly 3 million tons of cargo moved via port owned facilities along the river.



***Port Fourchon
Executive Director Informs the Board of
Upcoming Retirement***

At the March 7th meeting of the Greater Lafourche Port Commission's Board Meeting, Executive Director, Ted Falgout informed the Commissioners of his retirement plans for the end of 2006.



"I have served as Executive Director of this Commission for over 27 years, during which time we have seen tremendous progress. Over this period I have had the opportunity to serve with many individual commissioners that have provided guidance to me and our organization," said Ted Falgout, Executive Director. Falgout continues, "I have also worked with many dedicated employees who are largely the reason for our unprecedented success. It is with great pride that I look back on the many accomplishments of our organization over almost three decades."

Falgout says that with all of the accomplishments of the Port, perhaps the greatest success story has been the effort to improve highway infrastructure to the Port. Falgout says, "The pace at which this effort has moved is the marvel of anyone who understands the usually extremely slow and often complicated process of advancing highway infrastructure projects. This project has advanced from being unknown ten years ago, to being the "poster child" of energy infrastructure at risk, even at the national level, and over \$200 million has been amassed to date for construction."

Falgout commented that the voters of the 10th ward of Lafourche Parish who decided to tax

themselves many years ago to build a port have a lot invested, and he encouraged them to take very seriously their obligation to select commissioners that will guide the organization into the future. "I leave this organization with what I feel is a very talented and dedicated staff that is comprised of a good mixture of young and experienced personnel. I have full faith that given the opportunity and full support of the Commission, the next director can experience even greater achievements into the future," said Ted Falgout.

Falgout commented on the challenges of coastal restoration and infrastructure. "I truly believe that this community has huge coastal restoration and infrastructure challenges ahead of it and the Port Commission, as it has in the past, must continue to be a very positive force in addressing these challenges," said Falgout.

Falgout concluded by saying, "It has been both a welcomed challenge and an unimaginably rewarding opportunity to be the director of this organization during this period of growth and prosperity. It has been a "good ride" as they say and although I am retiring as Executive Director, my heart and commitment remains with the betterment of this port and community as a whole."

***Port of South Louisiana
Baumer Foods, Inc. Relocates to Globalplex
Intermodal Terminal***

Baumer Foods, Inc. has established a long-term leasing agreement with The Port of South Louisiana to re-locate its manufacturing and distribution operations to Globalplex Intermodal Terminal in Reserve, Louisiana. The newest tenant at the 335-acre industrial park was acquired through a partnership with St. John Parish. The official lease signing ceremony took place on 2-23-06 at the Globalplex Guest House in Reserve.

The company's eighty year-old production facility in New Orleans was ravaged by the floodwaters of Hurricane Katrina and prompted the move to Globalplex. Negotiations between the port and Baumer Foods were initiated by a referral from the St. John Parish Office of Economic Development and President Nickie Monica.



(L to R) Port of South Louisiana Commission President P. Joey Murray, III; St. John Parish President Nickie Monica; Baumer Foods, Inc. President and CEO Alvin Baumer, Jr. (holding a bottle of Crystal Hot Sauce); Port of South Louisiana Executive Director Joel T. Chaisson

The agreement between Baumer Foods, Inc. and the port includes a fifteen (15) year lease for the 190,000 s.f. facility at four-dollars per s.f. The port recently purchased the building for the company to operate at the northern end of the 335-acre industrial park. The company will begin operations at the port in May 2006.

St. John Parish economic development funds will provide inducements of \$10,000 per month on the lease for sixteen (16) months. The Louisiana Department of Economic Development will also provide \$1.5 million for improvements to the facility. The port plans to sell \$4 million in bonds to cover additional upgrades for the project that will bring approximately two-hundred full-time jobs to the port.

Port of South Louisiana Executive Director Joel T. Chaisson believes, “the addition of Baumer Foods at Globalplex could open the door for other food producers, suppliers, bottlers, labeling, or trucking companies at the terminal. We see this as the beginning of a totally new cluster industry.”

President and CEO Alvin Baumer Jr., heads the company founded in 1923 by his parents, Alvin and Mildred Baumer. The internationally known food producer distributes to seventy-five (75) nations worldwide and produces a variety of sauces and condiments including: Worcestershire, hot, steak, wing, teriyaki, and soy marinades and mustards under the brand name Crystal.

Legal News

SEAMAN'S RELEASES



MOULEDOUX, BLAND,
LEGRAND & BRACKETT

One of your employees is injured in the course of his employment as a crewmember/seaman assigned to your vessel. After he recovers and is able to return to work you (or perhaps your insurance company) enter into a monetary settlement with him in consideration for which he agrees to unconditionally release your company from any future financial liability. Six months later he brings suit against you for the same accident and injury. Are you protected? Is the release valid? What are your rights and remedies?

Your first defense will be that the plaintiff has given up any right to sue you by virtue of his entering into and accepting the settlement. Seaman's settlement agreements and releases are governed by federal maritime law. The courts have traditionally held (and still adhere to the principal) that seamen are “wards of admiralty” whose rights the courts are duty bound to zealously protect. Given this relationship, the courts are particularly vigilant to guard against overreaching when a seaman purports to release his rights to compensation for personal injury.

Consequently, the courts place the burden on the party claiming settlement as a defense to prove that it is valid and enforceable. In 1942 the U.S. Supreme Court stated that the party relying on the release must show that it was executed freely without deception or coercion and that it was made with a full understanding of his rights. (*Garrett v. Moore-McCormack Co.*). While the amount of settlement may be an issue, it should not be controlling. Absent a finding that the settlement was not executed by the seaman with a full understanding of his rights, the court lacks authority, especially where the seaman agreed to the amount and was satisfied, to void the settlement because it thinks the seaman could have negotiated a better deal.

The key to successfully defending such a claim is proof of good faith, a demonstration that there was no fraud or overreaching, and that the seaman entered into the settlement being

informed and with a full understanding of its consequences.

Because of this, when you settle with a seaman not represented by counsel, the cautious defendant will spend the extra money to have it executed on the record before a court reporter and in many cases will have it videotaped. This can be incontrovertible proof in your favor to support the validity of the release. While it may cost more money to do this, it can save you a lot more money should the seaman try to break the release.

Submitted by Wilton E. Bland, III, Mouldoux, Bland, Legrand & Brackett



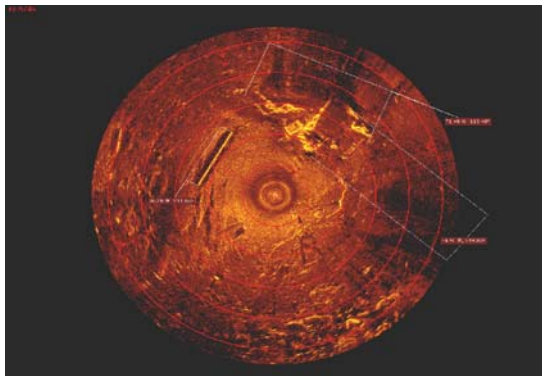
BY WILTON E. BLAND, PARTNER
MOULEDOUX, BLAND, LEGRAND &
BRACKETT.
504-595-3000 OR WWW.MBLB.COM

NOAA



Diver operations and sonar imagery acquisition was conducted Tuesday, February 14th, on the hazards that NOAA NRT 1 located offshore of Belle Pass at Port Fourchon.

Numerous items such as booms, pipe, nets and other structures were found at the site. Sonar imagery of this is seen below.



Port Fourchon Harbor Police has placed a warning bouy at the site.

Until removal of the debris and hazards, fishing

and shrimping and navigation over this area with commercial vessels or OSVs should be avoided

Reports of hazards, debris and other dangers to navigation along the Louisiana, Mississippi and Alabama coast are requested for investigation, surveying and possible charting as a hazard or removal of the hazards.

Welcome New Associate Members

PAL would like to welcome the following new associate membes:

Gahagan & Bryant Assoc., Inc. is an engineering and surveying firm. They are headquartered in Tampa, FL but have an office in Houston that serves the Louisiana area. They will be represented by Mr. Wendell Mears.

Securitas Security Services USA, Inc. provides security personnel for port and other operations. Their have offices in Metairie. Mr. Terry Casanova will be PAL's contact.

MARK YOUR CALENDARS

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)

April 4 – Ports Day at the Legislature – 10:30 am Joint Committee on Transportation, Highways and Public Works Meeting- House Committee Room 6, 6-8 pm Legislative Reception – Governor's Mansion

Louisiana
Ports
Deliver