

NEWS FROM THE DOCKS



ASSOCIATION OF LOUISIANA

Louisiana Ports Deliver

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Message from the PAL Office

Ports Day at the Legislature was celebrated on April 4th. PAL began the day with a PowerPoint presentation to the Joint Committee on Transportation, Highways and Public Works stressing the importance of Louisiana's ports and the need to adequately fund infrastructure. If you would like to view it, that presentation is on PAL's website at www.portsoflouisiana.org.

Committee members were invited to lunch at Long-View. PAL would like to thank Randy Haynie for allowing us to use his lovely home for this event.

Later in the evening PAL hosted its annual legislative reception at the Governor's Mansion. Each year it seems to get better. We had a great turn out and we appreciate all of you who took time to help us greet our legislators and other elected officials.

Each year the legislature asks questions about future port needs. Each port certainly has its own list of needs but to date no effort has been made to aggregate those needs into a single plan for the industry. In an effort to address that question, PAL has contracted with the Shaw Group to develop a five-year Capital Master Plan for our members. This study will present a coordinated plan for capital investment. Hopefully this will be a useful tool in presenting our needs to the legislature. Mr. Lu Cutrera will be the principal investigator on this study. It is expected to be completed in about 3 months.

Later this summer, PAL is looking forward to hosting a tour of North Louisiana Ports. That tour is scheduled for August 8-10th. Members of the House and Senate Transportation and Natural Resources Committees will be invited to

attend. Plans are to begin in Vidalia and to make a large circle through north Louisiana...including the ports of Vidalia, Lake Providence, Columbia, Monroe, Shreveport-Bossier, Red River, Natchitoches and Alexandria. This tour was originally scheduled for last September but was postponed due to the storms.

PAL is also planning a Louisiana Ports night at the AAPA Conference scheduled in New Orleans for September. Each port will sponsor a food booth with a regional favorite from their area. It should be a great event.

PAL welcomes another new associate member this month. We encourage you to join PAL and help us to keep emphasis on maritime issues. For additional information about associate membership, please visit our website at www.portsoflouisiana.org or call the PAL office at 225/334-9040.

Message from the Executive Director

This has been a very active legislative session for PAL. There have been many bills that PAL has monitored and been called to testify on behalf of. Of particular interest has been the legislation offered by Rep. Quezaire (HB 664) and Sen. Ellington (SB 396) amending the Port Construction and Development Priority Program. The bill was passed and signed into law by Governor Blanco. It has become Act 18 of the 2006 Regular Session.

The revisions to the Program become effective immediately and can be utilized by ports in applying for state funding for port facilities beginning on June 1, 2006 and every quarter thereafter.

Additionally, the Legislature is considering the multitude of expropriation limitation bills. The Senate has passed SB 1 by Sen. McPherson and the House Civil Law Committee has passed the bill with amendments to the House. The Civil Law Committee adopted a PAL sponsored amendment with the agreement of Sen. McPherson to treat construction of port facilities the same as industrial facilities by adding language to Article 6, sections 21 of the La. Constitution. The House will consider SB 1 in the near future. The bill makes an exception for facilities such as industrial plants and now port facilities from the effects of the SB 1. Similarly, Rep. Glenn Ansardi offered House Bill 1164, which only prohibits the sale of expropriated property to private companies, but permits leases. That bill is pending in the Sen. Judiciary Committee.



Joe Accardo
Executive Director

DOTD NEWS

Act 18 of the Regular Legislative Session of 2006 has modified the Port Construction and Development Priority Program. The primary modification has to do with application submittal times. Previously, applications were accepted only on November 1st. Now, ports may submit applications quarterly, on the first days of March, June, September and December. These projects will be reviewed and prioritized by the Department within 60 days. Projects, which appear in the recommended construction program but do not receive funding that year, will move ahead of newly submitted projects for funding in future years. With this assurance, ports may begin construction, utilizing their own resources, and can be reimbursed when state funding becomes available. It is anticipated this change will help to make ports more quickly responsive to market changes and business opportunities.

Corporate Member News

Port of St. Bernard

St. Bernard Port, Harbor and Terminal District's Executive Director Robert J. Scafidel, Ed. D. is proud to announce that it's port marine facilities are once again operating at 100%. Vessel calls are up 10% compared to the first quarter of 2005. "Storm related repairs at our marine terminals are 80% complete and our bulk storage facility is scheduled to be complete by July." This storage facility will bring additional tonnage to our facilities and will be supplemented by a newly rehabilitated rail line.

Labor shortages continue to be an issue but thanks to our terminal operator, Associated Terminals of St. Bernard, labor concerns have been addressed along with housing needs. "With these issues behind us we look forward to record breaking cargo movement through St. Bernard Port Marine Facilities."



In addition to the increased marine activities the Port continues to assist local community recovery efforts by providing land and other resources to support a FEMA volunteer camp and other local agencies.

Port of New Orleans

Inland Rivers Group Volunteers Bring Color To FEMA Housing Park

Members Wanted To Brighten The Lives Of Port Employees

At the conclusion of their annual conference in New Orleans, members of the non-profit association Inland Rivers Ports & Terminals Inc. volunteered their time planting shrubs and

beautifying a housing park of about 87 FEMA trailers that employees of the Port of New Orleans and their families call home.

The park, located at the Port's Perry Street Wharf in Gretna, houses employees displaced by Hurricane Katrina's floodwaters. The volunteer effort was the idea of James McCarville, executive director of the Port of Pittsburgh.



James McCarville, executive director of the Port of Pittsburgh presents a check on behalf of Inland Rivers Ports and Terminals Inc. to Gary LaGrange, President and CEO of the Port of New Orleans for landscaping at the Port's FEMA trailer site.

"The Port of New Orleans and its employees are vital to all of us throughout America's inland waterways," McCarville said. "We understand they have endured tough times in recent months and wanted to help brighten their environment and demonstrate in some little way how much we care."

Deirdre McGowan, executive director of the IRPT, said the group as a whole wanted to do something special for the Port.

"I think it's a fabulous project," McGowan said. "These are very important employees to the Port and they've been beaten up in recent months. We just wanted to do something nice for them."

IRPT volunteers worked to landscape the site, which is home to 111 Federal Emergency Management Agency trailers. Port of New Orleans President and CEO Gary P. LaGrange, praised the group for their efforts.

"We are very happy Inland Rivers Ports and Terminals kept their conference in New Orleans and volunteered their valuable time to such a worthy cause," LaGrange said. "Our employees who have been affected by the storm appreciate their thoughts and effort."

The IRPT has more than 220 members and represents the separate intermodal transportation

industry in the field of inland rivers ports and terminals. Nearly 15,000 miles of inland waterways can be reached through the Port of New Orleans. The association's members include port authorities, maritime service firms, terminal operators, dredging companies, engineering firms, etc. The group's annual conference was held April 19-21 at the Board of Trade in New Orleans.

Steel Tonnages Restored to Pre-Katrina Levels

American Institute for International Steel Visits New Orleans to View Progress

The American Institute for International Steel (AIIS) kicked off its conference in New Orleans with the announcement that steel, the leading commodity in the Port of New Orleans, has returned to pre-Katrina tonnage levels.

From January to August of 2005, New Orleans averaged 271,468 short tons per month of imported steel products. Cargo figures released today show that within four months of the storm, steel bounced back to its pre-Katrina average. In December, the Port handled 269,881 short tons of steel and in January it handled 326,917 short tons.

The number of ships arriving in the Port of New Orleans returned to normal levels of about 20-22 ship calls per week by the end of February. Gary LaGrange, President and CEO of the Port, says that the quick recovery can be attributed not only to the hard work and cooperation of the Port industry but also to the loyalty and upward trend in the steel industry.



Gary LaGrange announces that steel has returned to pre-Katrina levels at the Port of New Orleans.

“We worked hard to get the first ship in the Port of New Orleans within two weeks, which demonstrated to the world that we are still a great transportation hub,” LaGrange said. “We were also very lucky that steel was on the up tick. We sincerely appreciate the loyalty that steel shippers have shown to New Orleans. Their business has played a very important role in the recovery of the Port and the entire New Orleans region.”

Steel is one of the commodities that is imported to New Orleans for distribution to manufacturing plants all over the country, particularly in states that are connected to New Orleans through the Mississippi River and its tributaries.

“We are very pleased to be here for this important event and pleased to see the efforts the Port of New Orleans has made to get the steel trade back to normal,” said AIIS President Dave Phelps.

A study completed by Martin Associates shows that more than 380,000 total jobs in the United States were related to the annual cargo activity at the Port of New Orleans marine terminals, and these jobholders received \$16.9 billion of personal income.

For about 50 years, AIIS has supported free trade for steel and promoted the interests of steel importers, exporters, distributors, producers, consumers, and related businesses such as port authorities, customs brokers, transportation companies, logistics firms, and maritime organizations. Through advocacy, public affairs, research, and analyses, AIIS gives a voice to its members on steel trade issues in the political and policy-making debates on national and international levels. The AIIS was also instrumental in obtaining an early termination of the Section 201 duties on steel at the mid-point review in December 2003.

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MSC Adds Two Ships to European Service
Alessia is the Largest Capacity Container Ship to Call the Port of New Orleans

New Orleans— The largest capacity container ship ever to call on the Port of New Orleans arrived in port Friday and joined the rotation for a weekly container ship service to Europe.

The MSC Alessia, a container ship that has the capacity to handle 6,732 twenty foot long containers (TEUs), loaded and unloaded 1,200 containers today at the Napoleon Avenue Container Terminal. The ship was worked by P&O Ports of Louisiana, and sailed out of New Orleans Saturday morning.



The MSC Alessia and the MSC Marina, a 6,724 TEU capacity ship, will join the weekly European Service for MSC. The Marina plans to start calling the Port of New Orleans around May 17.

Port President and CEO Gary LaGrange applauded Mediterranean Shipping Company for its continued commitment to New Orleans. “Our quick recovery at the Port of New Orleans has been driven by the loyalty of our customers and the hard work of the entire port industry. We are truly humbled that Mediterranean Shipping Lines has seen fit not just to bring back their existing business but to expand it.”

The MSC Alessia and the MSC Marina will join four other ships already employed in MSC's European service to New Orleans. Each of those four ships has 5,600 TEU capacity.

In addition to the European Service, MSC has a weekly service from the East Coast of South America to New Orleans with ships ranging from 1800 to 2400 TEUs.

Port Manchac

It was announced at the May Commission meeting that Chad Falgout, the Executive Port Director, has decided to leave his position at the port. Mr. Falgout, a former Vice President with Texaco, has decided to return to the petroleum business as an executive for another Fortune 500 company.

When asked about his time at the port, Mr. Falgout said he is very proud of everything that the Commission and the staff were able to accomplish. He said that the port is now self-sufficient and is no longer a burden upon the taxpayers of the community.

Mr. Falgout further said that the port has doubled its business over the last couple of years and has fostered relationships with local businesses that now use the port. He sees some very exciting things in the port's future.

Mr. Falgout also said that he has truly enjoyed working in the community and has made some lifelong friends. He wished to thank everyone who has assisted him during his time at Port Manchac and wished the community the best going forward.

Port of South Louisiana
Port of South Louisiana Commission Honors Former Commissioner Honora Gravois

The Port of South Louisiana's seven (7)-member commission recently honored former commissioner Honora Gravois, who passed away on April 12, 2006. Mr. Gravois served on the commission representing St. James Parish for eleven (11) years, from January 20, 1989 to May 10, 2000.

During his tenure, Mr. Gravois served in various roles for the Port of South Louisiana including Commission President, Secretary, and Treasurer. The commission officially recognized his dedicated service to the port by adopting a resolution of condolence.

Port Fourchon

Ambassador Kanat Saudabayev from Kazakhstan and Congressman Charlie Melancon visited Port Fourchon. Ted Falgout, director of the Port, gave a presentation on the importance of Port Fourchon to the nation's energy and its history.

"The Port Commission was established in the 1960s, but the real success of the Port began when the Royalty Relief Act was passed by Congress in 1995." Falgout continues, "The Royalty Relief Act gave tax incentives to companies drilling in the Gulf of Mexico and huge amounts of oil and gas are being found."



Ambassador Kanat, Ted Falgout, Director of Port Fourchon
Congressman Charlie Melancon,

Mr. Falgout went on to explain that Port Fourchon is important to the commercial fishing industry as well as the oil industry. "Port Fourchon proves that oil and seafood do mix," said Falgout.

Ambassador Saudabayev commented on the seafood industry and said, "This says a lot about how environmentally safe the oil industry is here."

Mr. Falgout explained that there is very little oil spilled in the Gulf of Mexico. "LOOP is the safest way to transmit foreign oil and the pipeline network servicing the domestic production also has an excellent track record," said Falgout.

Kazakhstan is located near the northeast portion of the Caspian Sea in central Asia and claims most of the Sea's biggest known oil fields and has significant oil and natural gas reserves. After years of foreign investment into the country's oil and natural gas sectors, the landlocked Central Asian state has recently begun to realize its enormous production potential.

Congressman Melancon said, "Kazakhstan's location on the Caspian Sea aids itself to oil exploration. There is a substantial amount of oil and gas in the area, and they are trying to learn from us on how to build a port to service the industry and put infrastructure in place." Melancon continues, "It is an opportunity for our Louisiana companies to go overseas and expand their business by using their oil and gas expertise."

Experts say that with sufficient export options, Kazakhstan could become a major world energy producer and exporter over the next decade.

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Scientists from Across the World Visit Port Fourchon as Part of "Envisioning the Gulf Coast" Symposium

A group of scientists from across the world visited Port Fourchon on Monday, April 24, 2006 as part of a 3 day symposium entitled "Envisioning the Future of the Gulf Coast. The event was sponsored by BP and America's WETLAND.

Ted Falgout, Port Director, gave a presentation to the group on the importance of Port Fourchon to the nation's oil supply and the coastal restoration efforts of the Port.

"The Port Commission creates an acre of marsh for every acre of port development," said Falgout. Falgout continues, "The Port Commission was doing coastal restoration before it was cool to do coastal restoration. We realize the importance of saving our coast because it means saving our Port -our livelihood."

"Our group of environmental experts from around the world came to Port Fourchon to help us determine the best methods of protecting the Gulf Coast communities and the wetlands essential for its future stability," said Dr. Denise Reed, University of New Orleans. "Port Fourchon is vital for the economic and energy security of the United States and our future depends on the health and sustainability of America's WETLAND."

The symposium continued in New Orleans through Thursday. The goal is to foster shared national understanding of the nature and magnitude of the wetlands loss issue and the importance of coastal protection in the Gulf of Mexico to the nation.

America's Wetlands

Government Leaders, Industry to Address Domestic Energy Security

America's Energy Coast Economic Forum to Host Governors, U.S. Senators, Representatives and Other National Leaders in Oil Revenue Discussion

Federal, state and local officials gathered in New Orleans to ensure a strong future for domestic

energy supplies. Some of the leading voices involved with the nation's domestic energy security gathered in New Orleans for the America's Energy Coast Economic Forum.

At the forum, which focused on the economic and environmental stability of the coastal region, former U.S. Senator John Breaux explained the need for national awareness regarding Outer Continental Shelf (OCS) revenues that bypass Louisiana. "Louisiana deserves a fair share of the revenues that come from her shores. We contribute a large amount of energy and economic security to the nation, and now more than ever, Louisiana deserves a national response to this national issue," said Breaux.

"Congress should enact comprehensive OCS revenue sharing legislation to increase funding for states and help local communities that provide the support needed for energy development off their coasts," said Annell Bay, Vice President of Exploration, Shell Exploration and Production Company.

The America's Energy Coast Economic Forum, which was coordinated by America's WETLAND: Campaign to Save Coastal Louisiana with sponsorship by Dominion and America's WETLAND world sponsor Shell, addressed the critical need of the federal government to protect key energy producing assets in coastal states. Topics discussed included coastal erosion and regional threats such as hurricanes and loss of infrastructure. The forum concluded with an understanding of a need for the federal government to develop a more equitable relationship with states that host energy production.

Louisiana Governor Kathleen Babineaux Blanco delivered a keynote address at the forum. In addition, Senators John Cornyn (R-TX), Mary Landrieu (D-LA), Lisa Murkowski (R-AK), Jeff Sessions (R-AL), and David Vitter (R-LA); Congressmen Bobby Jindal (R-LA), Charles Melancon (D-LA), and Richard Pombo (R-CA); and Alaska Governor Frank Murkowski joined the diverse audience of local, state and national government, energy and industry representatives by video tape and live via satellite from Washington, DC.

"It is time for the United States to protect its economic and energy assets along the energy coast," said King Milling, President of the America's WETLAND Foundation. "The

deterioration of the Gulf coast is a national problem, and by re-directing fifty percent of the revenues generated by off shore oil production, energy producing states can secure their coasts and protect domestic energy production for the future."

Louisiana's coast, an area known as America's WETLAND, hosts the nation's strategic petroleum reserves and thousands of miles of pipeline which provide 30 percent of the nation's oil and gas. The coastal wetlands, which protect these critical resources, are disappearing at an alarming rate, jeopardizing the nation's economic and energy security.

The America's WETLAND Campaign is the largest, most comprehensive public education campaign in the State's history and launched to raise public awareness of the impact of Louisiana's wetland loss on the state, nation and world. The initiative is supported by a growing coalition of world, national and state conservation and environmental organizations and has drawn private support from businesses that see wetlands protection as a key to economic growth.



Southern Louisiana Portfields Initiative
Portfields Peer Exchange Workshop
 May 23 & 24, 2006
 The Marriott at the Convention Center
 859 Convention Center Blvd
 New Orleans

The Portfields Initiative offers the opportunity to increase collaboration among local, state and federal agencies and ports on local port revitalization issues. Through Portfields, local, state, and federal partners and port representatives share information about innovative approaches to traditional port issues, relevant state and federal programs, and resources and funding available for port revitalization.

Don't miss your opportunity to...

- Participate in a best practices "peer-to-peer" exchange among Portfields pilots and ports in southern Louisiana;

- Discuss issues important to southern Louisiana ports and learn about relevant state and federal programs;
- Establish face-to-face contacts between ports and local, state, and federal partners; and
- Identify opportunities for project-level collaboration.

Agenda

Tuesday, May 23

8:15-9:00	Registration/Coffee/Meet and Greet
9:00-9:30	Welcome
9:30-9:45	Overview of Portfields Initiative
9:45-10:45	Portfields Pilot Presentations
10:45-11:30	Portfields Pilots Question and Answer Panel
11:30-12:30	Lunch
12:30-2:15	Louisiana Port Presentations
2:15-2:30	Break
2:30-4:40	Louisiana Port Presentations
4:40-5:00	Wrap-up

Wednesday, May 24

8:00-8:15	Registration/Coffee/Meet and Greet
8:15-9:00	Regional Port Security Opportunity
9:00-10:00	Session #1 - Brownfields
10:00-10:15	Break
10:15-11:15	Session #2 - Dredging
11:15-12:00	Session #3 - Habitat Conservation
12:00-1:15	Lunch
1:15-2:15	Session #4 - Infrastructure
2:15-3:15	Session #5 - Navigation
3:15-4:00	Overview of Follow-up Actions
4:00-4:30	Next Steps and Closing Remarks

R.S.V.P. to Ms. Phyllis Lewis plewis@uno.edu or call 504-400-1025 to save a seat. Please register by **May 12, 2006**.

Make your room reservations early - call the Marriott directly at (800) 305-6342, or (504) 613-2888 by **May 8** to receive the special rate. Ask for Room Code: *UNOUNOA*

Welcome New Associate Members

PAL would like to welcome the following new associate member:

CH2M HILL, Inc. is an engineering and architectural firm. They will be represented by Mr. Ken Krauter.

MARK YOUR CALENDARS

June 1, PAL Meeting – Baton Rouge, Richmond Suites – 10AM

July 6, PAL Meeting – Baton Rouge, Richmond Suites – 10AM

August 3, PAL Meeting – Baton Rouge, Richmond Suites – 10AM

August 8-10 – PAL's Legislative Tour of North Louisiana Ports.

September 11, LA Ports Night at the AAPA – New Orleans

Louisiana

Ports Deliver