

# NEWS FROM THE DOCKS



ASSOCIATION OF LOUISIANA

*Louisiana Ports Deliver*

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## Message from the PAL Office

PAL continues to plan activities for the Spring. As you know, the annual conference is just around the corner. It will take place at the Kenner Airport Hilton, April 25-27. We are looking forward to seeing you there. Registration is now available on PAL's web site and registration flyers have been mailed out as well. Our website also has a preliminary agenda showing all of the planned events, speakers and other activities. PAL sends our appreciation to all of the people at the Port of South Louisiana and the South Tangipahoa Parish Port Commission who have been working so hard to make this conference a success. We are still accepting sponsorships and requests for booths. If you are interested please contact the PAL office at 225/334-9040 for more information.

In addition to the conference, PAL is also looking forward to our annual Legislative Reception. Mark your calendar for May 14<sup>th</sup>. We will begin the day with a presentation to a joint meeting of the House and Senate Committees on Transportation, Highways and Public Works. That evening PAL will host all of the legislature, Associate Members and state agency friends at a reception at the Governor's Mansion. It is always a nice event and we encourage you to join us for a wonderful evening.

PAL continues to be busy with a variety of endeavors. We have just issued the 5-Year Capital Improvement Plan which can be accessed at PAL's website. From the beginning of this effort, we have always considered that plan to be the first step toward development of a Strategic Marketing Plan for Louisiana Ports. PAL has been working with DOTD, LED and EDA to put together a funding package that will

allow us to go forward. After nearly a year of planning, we feel that there may be a light at the end of the tunnel. Our success is based on obtaining several grants. We are excited about this prospect and I will keep you advised as we proceed through the process.

Mostly, we are encouraged to receive support from state and federal agencies. This will be a coalition designed to bring about a better and more responsive maritime industry for the citizens and the economy of Louisiana.

PAL has also applied for an LED Tier II marketing grant. If successful in that effort, PAL will publish and distribute a new Marketing Directory, up date our website, prepare a marketing brochure and do several other things to help keep Louisiana ports in the forefront of economic development efforts.

You may notice a new look at the end of this newsletter. We have updated our Louisiana Ports Deliver slogan. It is important for everyone to realize that LA ports deliver not only goods and commodities, but also jobs, tax revenues, private investment and the economic well-being of our citizens. Thanks to the Shaw Group for their help with this logo.

## Corporate Member News

### *Port of Shreveport-Bossier*

The Port completed 2006 with tremendous momentum and a keen focus on helping its business partners thrive in a global environment. The year also proved to be robust with productivity. From record-breaking to ground breaking, The Port worked to usher in a new era of business. Overall tonnage grew to an all-time high. Barge traffic on the Red River also grew year-over year facilitated by the shipments of

steel coils and pipe for Steelscape and Mercer respectively.

Companies who have on-site operations at The Port grew an astounding 70 percent and their diversity underscores The Port's identity as a true multi-modal transportation complex. Other momentous occasions of 2006 included:

#### **Steelscape, Inc.**

Steelscape completed Phase I of its Port operations. In the summer, The Port facilitated the arrival and transportation of Steelscape's first shipment of steel coils from Thailand. The shipment was one of the first major international shipments arriving at The Port and signaled a major milestone for commerce in the Ark-La-Tex.

#### **Omni Specialty Packaging**

In addition to being selected as the Vendor of the Year for both Lowe's Home Improvement Stores and O'Reilly Auto Parts, Omni Specialty Packaging moved operations into its new warehouse expansion and began operating its own trucking division.

#### **Port Satellite Office**

In response to the aftermath of Hurricane Katrina, The Port of Shreveport-Bossier worked with The Port of New Orleans to upgrade several systems in order to serve as a satellite office for The Port of New Orleans and other Louisiana ports during any future hurricanes or emergencies.

#### **Pipeline Projects**

A number of pipeline projects began construction in the Ark-La-Tex in 2006, and The Port provided a staging ground for companies to receive and store large shipments of 42-inch diameter pipe.

**Mercer Consulting** used a portion of The Port's 2,000-acre complex to load, unload, store and expedite 152 miles of pipeline.

#### **Equipment Upgrades**

The Port made a number of equipment upgrades in 2006 with funds provided by The Red River Waterway Commission. Such upgrades further equip The Port to handle larger-scale loads more efficiently.

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#### ***Port of South Louisiana***

The Port of South Louisiana and the parishes of St. Charles, St. John, and St. James will hold the 16<sup>th</sup> Annual River Parishes Industry Appreciation event on Tuesday, March 13. The event is held to recognize the contributions that the industrial facilities along the 54-mile port district make to the Port and River Parishes Region economy.

Approximately 100 industry leaders including plant managers and other company representatives, members of the Port's Commission, parish officials, representatives from the Louisiana Department of Economic Development, state legislators and the region's U.S. Congressional District are anticipated to attend the event. This year guests will enjoy an afternoon of Louisiana seafood at the Port of South Louisiana's Guest House in Reserve.

The Port of South Louisiana, comprising St. Charles, St. John and St. James parishes on the Mississippi River between New Orleans and Baton Rouge, is the world's 5<sup>th</sup> largest tonnage port and the largest tonnage port in the western hemisphere.

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#### ***Port of New Orleans***

Porthole Cruise Magazine, a Fort Lauderdale-based bi-monthly cruise publication, recently named New Orleans its 2007 recipient of the publication's "Editor-in-Chief Award for Best Comeback Port."

The prestigious award is bestowed upon those in the cruise and travel industry who have gone "above and beyond in terms of service, quality and excellence," said Bill Panoff, Porthole Cruise Magazine's publisher.

"The New Orleans Metropolitan Convention & Visitors Bureau was pleased to learn that the city had received this very special award," said Kim Priez, vice president of tourism sales for the NOMCVB. "Porthole Cruise Magazine is reinforcing what thousands of cruise passengers to New Orleans have learned—that the New Orleans visitor experience is alive and well."

New Orleans is back in business, having successfully hosted large sporting events, meetings and conventions and a hugely successful 2007 Mardi Gras, with an estimated 800,000 people in attendance.

“It is always a great feeling when hard work and commitment is recognized by others in the industry,” said Gary LaGrange, President and CEO of the Port of New Orleans. “The entire tourism community in New Orleans has worked tirelessly to restore the infrastructure that supports what generations of visitors have grown to know and love—our world-famous restaurants, historic neighborhoods, French Quarter and Port, and thriving nightlife and music scene. We’re back and we’ll be better than ever.”

The Port of New Orleans is one of America’s fastest growing cruise ports. Prior to Hurricane Katrina, passenger embarkations and disembarkations topped 750,000. The Port was poised to break the 1 million-passenger mark with four-home-ported cruise ships and numerous port calls utilizing its facilities. The cruise industry rebound is underway at the Port, with passenger embarkations and disembarkations projected to top 475,000 in 2007.

In October, the Port opened its \$37 million Erato Street Cruise Terminal and Parking Garage, a state-of-the-art facility featuring a 90,000 square-foot-terminal and 1,000-vehicle parking garage. It has also welcomed back three of its four home-ported cruise ships and numerous other cruise ships have made port calls, including the Queen Elizabeth 2 in November of 2006. In December, the Port logged its busiest cruise month in its history, hosting 23 cruise ship calls by seven cruise ships and bringing approximately 95,000 passengers through the Crescent City.

Currently, Carnival Cruise Line’s *Fantasy* sails four- and five-day Western Caribbean itineraries from New Orleans and Norwegian Cruise Line’s *Norwegian Sun* and Royal Caribbean’s *Grandeur of the Seas* sail seven-day cruises to Western Caribbean destinations. The Port is positioning itself for future growth with the addition of a new cruise terminal at its Poland Avenue facility. The project is currently in the design and engineering phase. When completed, the Port will have the ability to host three of the industry’s largest cruise ships simultaneously.

“The Port of New Orleans is one of America’s great cruise ports,” said Lt. Governor Mitch Landrieu. “The Port of New Orleans is an

economic engine for our region and our state, and Louisiana’s cruise industry is a critical piece of our economy.”

The New Orleans Metropolitan Convention & Visitors Bureau ([www.neworleanscvb.com](http://www.neworleanscvb.com)) is the driving force behind one of New Orleans’ most important industries, tourism, which generates \$5 billion in visitor spending and creates 85,000 jobs. Today the cultural riches and unparalleled service that define the New Orleans experience continue to flourish, as they have for centuries. The most celebrated and historic core of the city - including the French Quarter, Central Business District, Warehouse and Arts District, Magazine Street and Garden District - not only remains intact, both physically and spiritually, but is thriving. The New Orleans CVB is proudly welcoming visitors and business travelers every day.

The Port of New Orleans is at the center of the world’s busiest port complex – Louisiana’s Lower Mississippi River. Its proximity to the American Midwest via a 14,500-mile inland waterway system, six Class One railroads and the interstate highway system makes New Orleans the port of choice for the movement of cargoes such as steel, rubber, coffee, containers and manufactured goods. According to a recent economic study, activity within the Port is responsible for 160,500 jobs, \$8 billion in earnings, \$17 billion in spending and \$800 million in taxes statewide. The Port’s cruise sector contributes about \$226 million annually to the regional economy and supports more than 2,800 jobs.

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#### ***Port of Lake Charles***

Mark Abraham, President of the Port of Lake Charles Board of Commissioners, announced that Stephen Hebert of Westlake, LA, has been appointed by Louisiana Governor Kathleen Blanco to the Port of Lake Charles Board of Commissioners. Mr. Hebert will replace Mr. Leonard Knapp’s position on the Board whose term expired after three years of service.



“On behalf of the Board of Commissioners and Staff, I would like to welcome Stephen to the Port of Lake Charles,” said Mr. Abraham. “With Stephen’s experience, I am confident the Port of Lake Charles will continue to be a strong economic engine for our community, the parishes of Southwest Louisiana and the State of Louisiana.”

Mr. Hebert is a registered Professional Land Surveyor (PLS) in several states. He is also a Certified Hydrographer and a Certified Mapper under the American Society of Photogrammetry and Remote Sensing (ASPRS).

***Lake Charles Harbor and Terminal District Announces \$1.3 Billion Project***

Mr. Mark Abraham, President of the Board of Commissioners for the Lake Charles Harbor and Terminal District announced that Lake Charles Cogeneration and the Port of Lake Charles have entered into an option to lease agreement to construct a gasification plant on Port property at a total cost of \$1.3 billion. The agreement also addresses a long-term operational agreement regarding the receipt and delivery of petroleum coke to the plant from the Port’s Bulk Terminal #1 once the plant is completed.

Gasification is the process by which a solid fuel source is subjected to very high temperatures and pressures to create a chemical reaction that leads to the creation of what is known as a “synthesis gas” or “syn gas”. Syn gas, in turn, can be used as an input to create other chemicals, such as methanol, or it can be cleaned and modified to create a “synthetic natural gas” or “SNG”. SNG is pipeline quality gas and generally indistinguishable from natural gas produced from regional geological formations.



Single tower gasification plant located in Florida. Lake Charles Cogeneration proposed plant at the Port of Lake Charles calls for a five (5) tower gasification plant.

SNG is of the same quality as traditional natural gas, but is derived from a fuel source that has less price volatility and is typically discounted in price relative to solid fuels like coal.

With the approval of two resolutions by the Board of Commissioners, one resolution entering into an option to lease agreement, and the other resolution for the Board to authorize preliminary official action for issuance of up to \$1 billion in industrial development GO Zone Bonds, the Board sees sustained and positive growth in the Lake Charles area,” said Board President Mark Abraham. “We believe this is the largest single capital project ever announced for Calcasieu Parish. As an economic engine for Southwest Louisiana, I see this project as a continuation of new and exciting economic development slated for our region,” Abraham went on to say.

The gasification plant will be built on 70 acres located adjacent to the Port’s Bulk Terminal #1 and is expected to take four years to complete. It is anticipated there will be approximately 3,000 jobs during construction and 150 to 200 operational jobs once the plant is online. An economic impact analyses reports total job impacts will exceed 1,900 locally and 10,000 state wide.

Funding of the Lake Charles Cogeneration gasification project qualifies for GO Zone bond funds, and credit of Lake Charles Cogeneration will secure the payment of the GO Zone bonds. Governor Blanco, the Louisiana Department of Economic Development (LED), and the Louisiana State Bond Commission must approve any request for issuance of GO Zone bonds. Lake Charles Cogeneration has had a number of discussions with Governor Blanco and LED regarding approval of up to \$1 billion for the project, while Lake Charles Cogeneration plans to invest a further \$300 million in the project. The Port of Lake Charles will submit an application to the Governor, LED, and the Louisiana Bond Commission on behalf of Lake Charles Cogeneration for the issuance of \$1 billion in GO Zone bonds.

The agreement provides an initial option period of up to 18 months. The option period will commence upon the filing of the application by the Port with the Louisiana Department of Economic Development for GO Zone bond approval, which must be submitted no later than

March 23, 2007. The lease term will be for forty years with two ten-year options thereafter.

Lake Charles Cogeneration has secured an independent economic impact analysis of the project prepared by David E. Dismukes, Ph.D, a professor at Louisiana State University, Baton Rouge, Louisiana. Dr. Dismukes summarizes the economic impact of the project with the following observations. 1.)The project is over \$1 billion in capital investment. 2.) Estimated economic impact will be \$405 million for the local economy, \$1.4 billion total impact for the Louisiana economy. 3.) Estimated employment impact will be 1,912 jobs for local economy, 12,226 total jobs for Louisiana. 4.) Hydrogen produced from lower cost feedstock is needed by refineries to meet clean gasoline and diesel fuel emission standards and 5.) Carbon Dioxide (CO2) produced at the plant could be used for regional enhanced oil recovery, just to name a few of the economic impacts in Dr. Dismukes' study. To see the complete study by Dr. Dismukes, visit the Port of Lake Charles website at [www.portlc.com](http://www.portlc.com).

The Lake Charles Harbor and Terminal District is the 12<sup>th</sup> largest Port District in the United States and is located on the Calcasieu Ship Channel in Southwest Louisiana. The Lake Charles Harbor and Terminal District is governed by a seven member Board of Commissioners. To learn more about the Port of Lake Charles and the surrounding area, visit the Port's website at [www.portlc.com](http://www.portlc.com).

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### **Port Manchac**

The South Tangipahoa Parish Port Commission recently elected Don Boihem to serve as President for 2007. Upon his election, Boihem commented, "I appreciate the support of my fellow commissioners and look forward to working with the entire staff to continue the development of Port Manchac into an efficient economic engine for Tangipahoa Parish. The commission also recognized member Don Bankston, for his dedicated service as President for the past two (2) years. The seven (7) commission members are selected for terms of six (6) years and serve as the official governing entity for Port Manchac.

The following list of commissioners were elected to serve accordingly for 2007:

Don Boihem – President

Mark Griggs - Vice-President  
J. Parker Layrisson – Secretary  
Paul Hooks - Treasurer  
Don Bankston – Member  
Anthony Licciardi, Jr. – Member  
Michael Williams - Member

The forty (40) acre terminal is located adjacent to Interstate Highway -55 at the southern end of Tangipahoa Parish. Port Manchac is served by the Canadian National Railroad, provides direct trucking links to nearby Interstate's 10 & 12, and offers access for barge shipments to Lake Pontchartrain via North Pass.

**NOAA**



A NOAA press release noted that El Nino has faded and that La Nina is beginning to form in the Pacific. This usually results in a more active hurricane season in the Atlantic basin. The last La Nina occurred from 1998 to 2001. In 1998 the category 3 storm Georges struck the gulf coast and the category 5 storm, Mitch unloaded on Central America killing over 10,000 people. Inland flooding from the slow moving storm were especially problematic. At the time Mitch was the 3rd strongest hurricane ever recorded in the Atlantic basin, like Katrina, it was very large with hurricane force winds extending out 100 miles from the center. I flew in both storms and they were very similar, Mitch just happened to turn south in the Gulf of Mexico. Make sure that your people have hurricane plans in place, and that our call trees are up to date.

The press release stated: "Although other scientific factors affect the frequency of hurricanes, there tends to be a greater-than-normal number of Atlantic hurricanes and fewer-than-normal number of eastern Pacific hurricanes during La Niña events," said retired Navy Vice Adm. Conrad C. Lautenbacher, Ph.D., under secretary of commerce for oceans and atmosphere and NOAA administrator. "During the winter, usual La Niña impacts include drier and warmer-than-average conditions over the southern United States."

## Legal News



### ASBESTOS UPDATE

Recently the Louisiana Fourth Circuit Court of Appeal decided the consolidated matter of *Jake Palermo, Abraham Veal, et al., vs. The Port of New Orleans, et al.*

In this case, Palermo and Veal worked as longshoremen on wharves on the Mississippi River in New Orleans from approximately 1962 until 1982. Both gentlemen contracted mesothelioma and died in 2003. Their children filed nearly identical lawsuits against employers of their fathers, manufacturers and shippers of asbestos and asbestos containing products, the Dock Board for the Port of New Orleans, and several ship repair companies. The employers and manufacturers settled with the plaintiff prior to trial. A bench trial went forward against the ship repair companies and the Dock Board. The trial court found the defendants liable and awarded damages totaling in excess of \$3,000,000.00.

In finding the Dock Board liable, the trial judge found that it had a duty to provide the decedents with a safe work environment, which duty it breached by failing to provide plaintiffs with proper safety equipment, failing to properly ventilate the facilities where the asbestos products were stored and failing to properly maintain the wharves and wharf facilities. As to the ship repair companies, the Court found that they had performed and subcontracted asbestos insulation work on the same wharves during the relevant time period and that “the ship repair companies knew that their work triggered the release of asbestos fibers into the environment in the vicinity of workers such as the decedents and were negligent for failing to segregate their work or warn of this danger.” All parties appealed.

The Dock Board argued that the trial court’s finding of liability based on negligence was erroneous because it had no legal duty to protect the decedents from the hazards posed by asbestos exposure in their employment. The Dock Board also argued that it could not be held strictly liable because the asbestos cargo itself,

as well as the wharf facilities where the cargo was loaded and unloaded, were at all times under the care, custody and control of the stevedoring companies rather than the Dock Board. In considering the Dock Board’s position, the Court noted that absent a duty owed by it to the decedents, there could be no actionable negligence and hence no liability on the Dock Board. Continuing, the Court noted that there was no authority for the trial judge’s ruling that a non-employer, such as the Dock Board, had a duty to provide employees of others with a safe workplace. Under both Federal and State law, this duty is imposed on the stevedore’s employer. The Court rejected the holding of the trial court, and found that as a non-employer of the decedents, the Dock Board had no duty to provide them with safe working conditions.

The Court continued and found that the Dock Board leased its facilities to the various stevedoring companies, which had complete responsibility for all cargo operations. The Court of Appeal noted that the Dock Board owed a duty to the decedents only if the wharf facilities themselves were defective and it knew or should have known of that condition, but failed to remedy it. The Court found that the plaintiffs produced no evidence that the mere presence of asbestos cargo on the wharves made the wharves themselves defective and did not present any evidence that the Dock Board knew or should have known of the potential danger of the asbestos cargo. Further, the Dock Board presented testimony that it had no knowledge of the types of cargo being shipped in advance of their arrival.

In sum, the Court of Appeal reversed the trial judge and found that the Dock Board owed no duty to the decedents who had contracted mesothelioma by exposure to asbestos and exonerated the Dock Board.

As to the ship repair companies, they argued that there was no duty owed by them to the decedents to provide for their safety and welfare because they were neither employers of the decedents nor manufacturers of the products, and thus had no duty to provide plaintiffs with a safe place to work or warn of the dangers of asbestos exposure. The Court found that the ship repair companies did have a general duty to act reasonably to prevent any foreseeable risks of harm to the plaintiffs from asbestos exposure

that might have been caused by proximity of their operations to the decedents' employment activities.

The Court of Appeal also ultimately found in favor of the ship repair companies by concluding that any asbestos dust generated by their activities would not have been a substantial enough exposure to constitute a contributing factor to the decedents' mesothelioma.

This decision is important inasmuch as it makes clear that the Court of Appeal will hold plaintiffs responsible to prove their case by a preponderance of the evidence and strict application of the law. All too often trial judges have been willing to impose liability on corporate defendants as if out of sympathy to the injured plaintiff.



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### World Trade Center News

#### Rebuilding New Orleans: A Synopsis

Eighteen months after the devastating effects of Hurricanes Katrina and Rita, considerable progress has been made toward reviving the local economy. There is still a great deal more to be done, with many serious challenges and attractive opportunities ahead. The following linked reports and articles provide a current summary of recent results and the outlook in a number of key sectors of the economy.

For more information, [1st Stop's Category Index](#) provides additional news items, websites and databases (updated daily) for 31 economic and government-related categories.

### America's Wetlands News

On Friday, March 2, 2007 Louisiana Lt. Governor Mitch Landrieu joined America's WETLAND Representatives and the

Estuarians at Atchafalaya Welcome Center on Interstate 10 in Butte/LaRose.

At the event the Lt. Governor announced the first recipients of the Atchafalaya Tax Credit Program and launched the America's WETLAND Conservation Corps, a volunteer program coordinated by America's WETLAND: Campaign to Save Coastal Louisiana in partnership with the LSU Agricultural Center, that encourages communities statewide to protect and restore America's WETLAND.

### Welcome New Associate Members

PAL would like to welcome three new associate members this month:

NOAA-Office of Coast Survey is located in Lafayette, La. They will be represented by Mr. Tim Osborn and Mr. Patrick Fink.

Group Contractors are located in Baton Rouge and will be represented by Mr. John Cagnolatti. They are general construction contractors.

Talen's Marine and Fuel is a distributor located in Lake Arthur. They will be represented by Mr. Dale Doucet.

### MARK YOUR CALENDARS

March 13, 2007 - Millennium Port Authority - 10am - DOTD 3<sup>rd</sup> floor conf. Rm.  
March 16, 2007- World trade Center 3<sup>rd</sup> Annual Business Development Conference -8:30-5:00p.m. - Plimsoll Club  
April 25-27, 2007 - PAL Annual Conference - Kenner, LA  
April 27, PAL Board Meeting - Kenner, LA  
May 14<sup>th</sup> - Ports Day at the Legislature  
May 14<sup>th</sup> - PAL Legislative Reception  
May 15<sup>th</sup> - PAL Board Meeting -  
June 12, 2007 - Millennium Port Authority - 10am - DOTD 3<sup>rd</sup> floor conf. Rm.  
September 11, 2007 - Millennium Port Authority - 10am - DOTD 3<sup>rd</sup> floor conf. Rm.  
December 11, 2007 - Millennium Port Authority - 10am - DOTD 3<sup>rd</sup> floor conf. Rm.

