

NEWS FROM THE DOCKS



ASSOCIATION OF LOUISIANA

Louisiana Ports Deliver

January 2010
Vol. 11, No. 1

Message from the PAL Office

The New Year has arrived and if this cold spell is any indication, 2010 is going to shake us up a bit. PAL looks forward to the challenges of a new year and we invite you to join us along the way. Go to www.portsoflouisiana.org for information about becoming an associate member. Join over 120 other maritime related businesses to help PAL keep the maritime industry in the forefront of Louisiana's decision makers. We are constantly striving to boost economic development as well as the general well being of Louisiana's citizens.

.....
"Come Pass a Good Time with the Lower Mississippi River Ports of New Orleans, Plaquemines and St. Bernard." That is the theme of our 27th Annual Conference. It will take place March 30-April 1st at the Maison Dupuy Hotel in The French Quarter. All the activities will take place in the French Quarter within walking distance of the hotel. Mark your calendars now and make plans to attend. The program is taking shape and the speakers promise to be educational and entertaining.

Remember, this is your best opportunity to meet and visit with the movers and shakers in Louisiana's maritime industry. Make your reservations now by calling 800-535-9177 and asking for the Ports of Louisiana block of rooms. The rate is \$119 per night and that includes breakfast.

.....
In November PAL completed a "Report on State Financial Assistance for Capital Improvement at Public Ports in the United States." To our knowledge it is the most exhaustive research that has been done on the topic. In phase one the

report reviews data from 31 states that have commercial public ports. Phase two narrows that field to the ten ports with port characteristics most similar to Louisiana, those with unique funding programs, and those who are viewed as major competitors to Louisiana ports. That report can now be found on our webpage. Look under the link to "Documents."

LED & DOTD ISSUE REPORT

Report Reveals Opportunities To Increase Container Cargo Traffic

Louisiana Economic Development and the Louisiana Department of Transportation and Development, or DOTD, released the results of an analysis commissioned by the two departments to assess Louisiana's competitiveness relative to attracting a major increase in container traffic volumes, as well as to examine a variety of options for achieving increased container volumes over the next 20 years.

"International trade has long been a major driver of Louisiana's economy. With the upcoming expansion of the Panama Canal, the timing was right to take a hard look at how Louisiana can best position itself relative to attracting containerized cargo over the next 20 years," said LED Secretary Stephen Moret. "The results of the analysis certainly suggest a significant growth opportunity for container volumes, but they also indicate that we should not neglect our traditional strengths in bulk products where we have several distinct competitive advantages. Accordingly, we plan to focus additional attention on identifying opportunities to strengthen our competitiveness in bulk products."

"This is an excellent report that, combined with other recent port analyses, provides a blueprint for public policy decisions with respect to ports

and containers," said DOTD Secretary William D. Ankner, Ph.D. "I look forward to working with LED and the port community to capitalize on the opportunities presented in this report." Key findings of the analysis can be located by following this link:

<http://www.louisianaeconomicdevelopment.com/led-news/news-releases/report-reveals-opportunities-to-increase-container-cargo-traffic.aspx>

Corporate Member News

Port Fourchon Port Fourchon Begins 50th Year with New Director

The Greater Lafourche Port Commission is ushering in the new year with a new director at the helm for the first time since the position was created. Chett Chiasson, former Director of Economic Development for the port, has been promoted to Executive Director of the Port Commission. Chiasson is taking the reins from Ted Falgout, who retired at the end of 2009 after thirty-one years of port leadership.

"I am honored to be the Executive Director of the Greater Lafourche Port Commission," says Chiasson. "I look forward to continuing the growth and success that was achieved during Mr. Falgout's tenure. With the outstanding Board of Commissioners, employees, and tenants we have, the opportunities are limitless."

Chiasson has served as the port's economic development director for the last four years. He has a B.A. in Political Science and a Masters in Public Administration. He is also enrolled in the AAPA's Professional Port Manager certification program. His background has been an advantage to port business; he has brought in large projects and new lessees in Port Fourchon and helped to expand property interests at the South Lafourche Airport. Chiasson has been key in recouping losses from storm damage, working with several local, state, and federal agencies to repair and rebuild the port's infrastructure and environment.

"I feel the port is poised for future growth," said Falgout, "and under Chett's leadership it can even surpass the high level of accomplishment it has experienced in past decades."

The Port Commission unanimously chose to promote Chiasson from within the port

organization because of his knowledge of the port area and the ins and outs of its administration. Chiasson was named as Falgout's successor in February of 2009 and worked closely with Falgout throughout the rest of the year, gaining invaluable hands-on training.

Larry Griffin, President of the Port's Board of Commissioners, stands behind the board's choice to hire Chiasson. He said, "As president of the Port Commission, I've seen tremendous growth over the last seventeen years under Mr. Falgout's leadership, and I'm sure that under Mr. Chiasson, the success of the port will continue to grow. He is more than capable of taking over the reins from Mr. Falgout. I am looking forward to working with Chett on the future development of the port."

Chiasson will be Port Fourchon's second Executive Director in port history and begins his new position as the port begins its fiftieth year.

Port of Shreveport-Bossier Port targets businesses owned by women, minorities - The Associated Press

Officials of the Port of Shreveport-Bossier are stepping up efforts to contract with businesses owned by women and minorities.

Port officials say their efforts have included advertising and the use of lists from organizations like the Association of Minority Contractors and Building Associates. But they are still short of their goal of 25 percent participation by minority- and women-owned businesses.

So, the port on the Red River has partnered with Southern University at Shreveport to find a solution. That effort included a forum at the Southern's Small, Women and Minority Owned Business Incubator in Bossier City.

Port officials say such forums can help leaders of such businesses learn how to bid on port projects.

Port of Terrebonne

LaShip is the next logical phase in Edison Chouest Offshore's (ECO) corporate plan to pursue the opportunity of becoming the leading U.S. coastal oil transportation company, addressing the regulatory obsolescence of single-hull vessels mandated by the Oil Pollution Act of 1990; the need for Arctic class vessels to pursue the newly available leases in the Beaufort Sea and the Chukchi Sea of Alaska; and the growing demand for longer, deeper, and wider vessels to support offshore operations globally.

The LaShip shipyard is estimated to cost in excess of \$72 million when completed. This capital investment will be in addition to the infrastructure planned by the Terrebonne Port and the value of the property that will be donated to the port of Terrebonne by LaShip. LaShip was successful in getting \$65 million dollars in Go-Zone bonds that will be used for the construction of this shipyard, \$35 million of which has already been executed.



ECO's primary business is owning and operating offshore marine support vessels and has become a world leader in this industry with vessels operating on every ocean of the world including both Arctic and Antarctic regions.

ECO provides vessels to three major market segments, supplying the largest number of special-purpose vessels to the U.S. Government, operating the largest independently-owned fleet of offshore research vessels, and using its proprietary in-house designs for new generation deepwater offshore service vessels becoming the world leader in supporting the offshore oil and gas industry including deep water exploration and development projects.

What has made ECO unique from its early beginnings in the 1930's that the company designs and builds its vessels in its own shipyard facilities not available to the commercial market. Currently ECO operates four shipyards in the United States: they are North American Shipbuilding located in Larose, Louisiana; North American Fabricators located in Houma, Louisiana; North American Shipbuilding Drydock and Repair facility located in Fourchon, Louisiana and Gulf Ship located in Gulf Port, Mississippi. In addition to its U.S. shipyards, ECO owns and operates a massive, state-of-the-art, shipbuilding facility in Brazil in Navegantes in the State of Santa Catarina.

A number of years ago, ECO recognized that its current inventory of shipyards would not be adequate to build the next generation of vessels required, due to size limitations at each facility, and looked for a tract of property that would accommodate a new shipbuilding facility and would not limit the length, beam, or height of a vessel. ECO considered potential sites on the Gulf Coasts from Texas to Florida.

ECO, a company born and bred in Louisiana and headquartered in Galliano, Louisiana, has a strong desire to locate as much of its operations as possible within the State of Louisiana. Considering other sites that served ECO's needs and would provide ingress/egress/greater water depth access, ECO chose a tract of property along the Houma Navigation Channel and bordered by the Munson slip in Terrebonne Parish, just South of Houma. ECO purchased this property conceiving that this tract could accommodate a new shipbuilding facility provided certain infrastructure on the Houma Navigational Channel was improved to allow newly built vessels to be launched from the shipyard.



LaShip entered into discussions with the Port of Terrebonne, who has agreed to pursue and support the necessary funding from the State of Louisiana to provide the infrastructure improvements, primarily bulkheading and dredging to a depth that would allow vessel access to the Houma Navigational Channel. As part of this effort, LaShip has donated a large tract of this property to the Port of Terrebonne. The Port of Terrebonne will experience a revenue stream from this donation that will aid the Port's growth as well as generate other opportunities for the port to lure additional jobs to this region not directly related to this project. As it stands today, the Port continues its efforts to source the required funding to provide the necessary infrastructure improvements. This project is extremely important to the port and this region and will contribute significant revenue to both local and state governments.

Business Climate

LaShip will build vessels for several markets. This facility will allow ECO to compete in what has become the regulatory obsolescence of the U.S. Jones Act product tanker fleet. The Oil Pollution Act of 1990 has changed the rules for building and design for a product tanker trading under the Cabotage Laws of the United States (Jones Act), which in effect has regulated obsolescence for literally the entire U.S. fleet. By 2015 all new ships will be required to be built using these new requirements. LaShip will have the capacity to build these ships.

LaShip will build vessels in support of the offshore oil and gas deepwater industry. As this industry moves into deeper water depths, larger ships are required. Currently ECO's U.S. shipyards are limited to a 350' hull. The next generation of offshore construction vessels, sub-sea well intervention vessels, frac vessels, all supporting deepwater oil and gas, will require lengths in excess of 350'

In addition, the next frontier for the U.S. oil and gas industry is the U.S. Arctic. The Beaufort Sea and the Chukchi Sea both offer a potential reserve that may rival the U.S. Gulf of Mexico. This will require special, large, Arctic class, ice-breaking, support vessels. These vessels must be Jones Act vessels, meaning they must be built in a U.S. shipyard, and owned and operated by a U.S. company. In order for ECO to be competitive in this market, it will need a facility like LaShip which can accommodate the

construction and transportation of these larger vessels.

ECO is also in a unique position to build vessels at LaShip for export globally. For example, the Brazilian Cabotage Laws require Brazilian flagged vessels to be built within Brazil's borders; however, there is provision in their Cabotage rules that will allow the import of a non-Brazilian vessel with the same benefits of a Brazilian-built vessels under the Brazilian flag based on tonnage. Under a two-for-one rule, for every 2 vessels that ECO constructs in Brazil, it can import a third vessel, one that would be built at LaShip and exported to Brazil, inheriting all the benefits of a Brazilian-built vessel.

The next target market is U.S. Gulf of Mexico shuttle tankers. ECO has designed and tank tested a new, state-of-the-art shuttle tanker which will be used to offload oil from floating storage facilities in deepwater U.S. Gulf of Mexico. The first such system is being installed by Petrobras in the Gulf, and that is just the beginning. Although shuttle tankers do not exist in the U.S. flagged industry today, the industry will support more of these ships in the future. These are specially designed, special – purposes vessels that will measure up to 760' in length, 105' in beam. LaShip will support the construction of these vessels to be built at the Terrebonne Port LaShip facility.

ECO currently owns and operates over 150 vessels, with over 50 vessels currently under construction or on order. Based on a typical 25 year life span for each vessel, the combination of fleet growth and fleet replacement will insure that LaShip's capacity will be needed as far as is visible into the future.

In cooperation with the State of Louisiana and the Port of Terrebonne, LaShip will have a strong economic impact on the region, supporting the growing and evolving oil and gas industry.

Port of New Orleans

Luxury Cruise Liner Calls On Port

575-foot Deutschland Makes Four-Day Call To Crescent City

The German-flagged luxury cruise liner Deutschland arrived at the Port's Julia Street Cruise Ship Terminal marking the vessel's

second visit to the Crescent City in as many months.

The 575-foot vessel is owned by German-based Peter Deilmann Cruises, which offers global year-round cruises.

The Deutschland's port call is unique in that the ship stays for a few days offering a port-of-call for existing passengers, a turnover day, and another port-of-call for new passengers. The 600-passenger vessel will remain in New Orleans for four days.

"Port calls by cruise ships are an important segment of the cruise industry at the Port and for the tourism industry in the entire metro area," said Gary LaGrange, President and CEO of the Port of New Orleans. "These passengers are able to spend time touring south Louisiana and experiencing all of the cultural, historic and culinary destinations we have to offer."

Port officials held a plaque exchange ceremony with the ship's captain, welcoming the vessel and the cruise line to New Orleans. The cruise ship made its first call in New Orleans in November; however, no formal ceremony was held.



The Deutschland, which sailed its maiden voyage in 1998, was built to resemble a traditional grand hotel, which harks back to an earlier era. Upon its departure from New Orleans, the vessel will visit Caribbean and Central American ports of call.

Port officials have several other unique cruise ship calls scheduled for 2010, in addition to the home-ported Carnival Triumph and Norwegian Spirit.

The cruise industry is vital to Louisiana's economy, supporting 3,617 jobs, which result in \$108.8 million in wages. Industry spending totals about \$149 million annually, which results

in \$23.7 million in state and local taxes and cruise passengers account for more than 180,000 room nights in area hotels.

Port Manchac

Layrisson Elected Port President

The South Tangipahoa Parish Port Commission has elected Parker Layrisson to serve as President of Port Manchac. Layrisson, a Ponchatoula attorney, has served as port commissioner since 2006 and port secretary since 2008.



Other officers elected were Mark Griggs, Vice President, Don Boihem, Secretary, and Lucas Watkins, Treasurer.

"The port presidency is a true honor and a great opportunity," said Layrisson. "I am fortunate to follow several outstanding past presidents such as Mike Williams, Tony Licciardi, Don Boihem and Don Bankston. I learned a great deal from them that I hope to apply to my term in office."

Port Manchac is a public inter-modal port facility capable of handling cargo by barge, rail or truck. The terminal is located on Manchac's North Pass on the north/south mainline of the Canadian National Railroad adjacent to Interstate 55 near Interstates 10 and 12. The port is run by a commission of seven business and community leaders appointed by the governor.

Parker Layrisson, 32, is a private practice trial attorney with the Layrisson Law Firm in Ponchatoula. He graduated with honors from Ponchatoula High School and Tulane University, and he was ranked No. 1 in his class at LSU Law Center. Layrisson previously served on the congressional staff of former U.S. Representative Bob Livingston and worked for the United States court system as a federal

judicial law clerk. He also served the Louisiana Department of Justice as its youngest assistant attorney general and special counsel to the state attorney general. Finally, Layrisson served Ponchatoula's court system as city prosecutor.

"My top priorities as port president are job creation and business development," said Layrisson. "I'll do whatever it takes to bring more quality businesses to the port. Also, we plan to continue making capital improvements at no cost to local taxpayers. Finally, I'll focus on preparing the port for the upcoming influx of Panama Canal international trade route opportunities. With hard work and God's blessing, we anticipate a busy year at Port Manchac!"

Port of South Louisiana

FSO Workgroup Partners with the FBI to Promote Explosives Awareness

The Port of South Louisiana's Facility Security Officer Workgroup recently partnered with the FBI to promote explosives awareness to its stakeholders. The workshop, organized by Lester Millet III, Port of South Louisiana's Policy & Planning Director/FSO Chairman, and conducted by SABT Ira Jones with the F.B.I.'s New Orleans' office, was hosted by the St. James Parish Sheriff's Department Range/Training Facility.



(Front Row L-R) Lester Millet, III, Ira Jones, Eric Acosta
(Back Row L-R) Patrick Solomon, Billy Booth, Michael Sawyer, Capt. Karl Melancon, Jason Esslinger, Maj. John Vickers, Capt. Daniel Doucet, Sgt. Chris Scheeler

The one-day event included three hours of classroom activity along with a 30-minute explosives demonstration. The classroom instructors included FBI SABT Jason Esslinger (Introduction to Explosives), FBI SA Roger L.

Tomberlin (WMDs/Louisiana Biological Threats Working Group), and DHS/TSA Bomb Appraisal Officer Billy Booth (TSA Bomb Appraisal Officer Program). Following the class instruction, FBI SABT Ira Jones gave a short presentation, along with a spectacular explosive demonstration. The well-attended event included participants representing 23 agencies/organizations from all over Southeast Louisiana.

Special thanks go to the following individuals and organizations for making this event possible:

SABT Ira Jones, FBI New Orleans
Lester Millet, III, Port of South Louisiana
SABT Jason N. Esslinger, FBI Baton Rouge
Billy Booth, DHS/TSA /MSY
SA Roger L. Tomberlin, FBI New Orleans
Hon. Sheriff Willy J. Martin, Jr., St. James Parish Sheriff's Department
Capt. Karl Melancon, St. James Parish Sheriff's Department
St. Bernard Parish Sheriff's Office Bomb Squad
ATF New Orleans

Legal News



SEAMAN WAGES

The rights of U.S. seamen under the law are, by tradition, closely guarded by the Courts. This includes the seaman's right to wages, which are protected by the Seaman's Wage Act (46 USC 10101-11507). Generally the Master (employer) must pay each seaman promptly at the end of the voyage the balance of wages due within twenty-four hours after the cargo has been discharged or within four days after the seaman is discharged, whichever is earlier. The Act imposes a penalty on the non-paying employer. If payment is not made "without sufficient cause" the seaman must be paid "two days" wages for each day payment is delayed. The U.S. Supreme Court in *Griffin v. Oceanic Contractors, Inc.*, 102 S.Ct. 3215 (1982) held that there is no room for discretion when enforcing this penalty. If the employer has refused to pay the seaman his wages and the refusal is without just cause, the penalty applies. In *Griffin*, the employer withheld \$412.50, and the District Court awarded \$6,881.60, which represented a penalty only for the period of non-payment while the

employee was out of work. The Supreme Court held that Griffin was due \$302,790.40 because the \$412.50 was not paid until over four years after he was discharged. Because of the dilemma this presents, the employer in any wage dispute should endeavor to resolve the matter as quickly as possible, and if there is litigation, pay the disputed sum into the registry of the Court. This action may toll the running of penalties.

The wrongful withholding is not enough to give rise to penalties. The employer's action also must be arbitrary, willful or unreasonable. (Admiralty and Maritime Law, 4th Ed. Schoenbaum). The employer has the burden of showing that its actions in withholding pay were reasonable. Insolvency of the vessel, good faith mistake or clerical error, seaman's negligence of his duties, where there are honest doubts about the seaman's demand, and where the seaman refuses to submit a written claim have all been deemed fair reasons to deny payment with no penalty attached.

There are important exceptions to the double wage penalty statutes. They do not apply to fishing vessels, nor do they apply to the vessel owner when the vessel is under bare boat charter.

One of the most significant exceptions is that vessels engaged in coastwise trade are not subject to the double wage penalty. The Act does not define "coastwise." However, courts have defined it as "a voyage between a port in one state and a port in another state" (except an adjoining state). *Frederick v. Kirby Tankships*, 2105 F. Ed. 1277 (11th Cir. 2000), *Powell v. Global Marine, LLC*, 2009 WL 4456571.

Exceptions or not, whenever there is a dispute over wages, the employer will be well served if it undertakes to thoroughly investigate, document the claim and, if the claim is denied, the reasons for denial. If the double wage penalty attaches, the award can be significant. (See *Raby v. M/V PINE FOREST*, 918 F.2d 80, *reversed on other grounds*), where the Court awarded over \$32 Million to twenty-one Filipino seamen who had been wrongfully deprived of \$166,000 in wages.



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

America's Wetland



The America's WETLAND Conservation Corps, (AWCC) far exceeded their goals set for 2009. The energetic members recruited 4,155 volunteers to participate in hands-on wetland restoration projects, an astounding feat considering that their volunteer recruitment goal for 2009 was 500. The volunteers completed 24,981 hours of service while helping with 87 restoration projects this year.

As the hands-on extension of the Foundation, the AWCC helped to improve water management, plant growth and land preservation by orchestrating numerous restoration and conservation projects. The overwhelming support and participation the AWCC received is a true testament to the level of volunteer commitment during the past year.

.....

The America's Energy Coast (AEC), an initiative of the America's WETLAND Foundation, reached consensus on their latest resolution in support of the Gulf of Mexico Program late last year. This resolution establishes the AEC's support for the GOM Program which, established by the U.S. Environmental Protection Agency, coordinates restoration efforts among Federal, state and local government and regional stakeholders. To view the resolution and learn more about the work of the AEC, click [here](#).

MARK YOUR CALENDARS

February 4, 2010, PAL Monthly Meeting, 10 am, Richmond Suites Hotel, Baton Rouge

March 2-4, Inland Waterways Conference, Hyatt at the Arch, St. Louis, MO. www.inlandwaterwaysconference.com

March 4, 2010, PAL Monthly Meeting, 10 am, L'auberge du Lac Hotel, Lake Charles

March 16-17, 2010 Hurricane Conference, Baton Rouge, LA, Lod Cook Alumni Center, LSU. Hosted by LSU and NOAA

March 30 – April 1, 2010 – PAL Annual Conference, New Orleans, Maison Dupuy Hotel – 1-800-535-9177

Welcome New Members

This month PAL welcomes another new associate member:

All South Consulting Engineers. LLC is an engineering consulting firm located in Metairie, LA. They will be represented by Mr. Tim Bonura.

