

NEWS FROM THE DOCKS



Louisiana Ports Deliver

ASSOCIATION OF LOUISIANA

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Message from the PAL Office

PAL's Annual Conference was held last week in Lake Charles. We hope that you joined us. As always, it was three days filled with opportunities to learn about ports, meet port administrators and hear about the latest happenings in the maritime industry. PAL would like to express our appreciation to Bill Rase, Executive Director of the Port of Lake Charles, and to his staff for all of their efforts to make this a great event. Lots of pictures appear on the last page of this newsletter.

As we end one conference we are always looking ahead to the next one. In 2013 PAL will be hosted by the ports of Fourchon, Grand Isle, Terrebonne and Morgan City. Date and location have yet to be determined. Stay tuned!

Dr. Jim Richardson was the lead off speaker at the conference. He has been contracted by PAL to develop an Economic Impact Study for Louisiana ports. With this study nearing completion Dr. Richardson has been able to determine the maritime



industry supports approximately 73,000 direct jobs and over 400,000 indirect jobs. Those are impressive numbers and represent 20% of the jobs in Louisiana! As we all know, **ports** are **important!!!** We look forward to the complete report.

Legislative Update

The Regular Session of the Legislature is scheduled for 60 legislative days within an 85 day calendar period and will commence on March 12th, and end not later than June 4th, 2012. It is a General Session and "no measure levying or authorizing a new tax, increasing an existing state tax, or legislating with regard to state tax exemptions, exclusions, deductions, or credits can be introduced or considered at the Regular Session".

Financial issues, education and retirement reforms will dominate the session. As of March 3, 2012, nearly 1600 bills were pre-filed, and each legislator can file 5 additional bills until April 2nd. The last day for filing retirement bills was January 27th and 79 bills relative to retirement and 49 constitutional amendments were pre-filed in both houses.. The proposed general appropriation bill will have to be cut by \$875 million.

Port Priority Program

The Public Hearing on the Port Construction and Development Priority Program was held by the Joint Senate/House Transportation Committee on February 29, 2012. The Committee received the 2012-13 Recommended Construction Program which presumes that \$20 million will be appropriated to the program.

There are 8 continuing projects from prior years requiring \$57.176 million for completion, which will create or retain 1,674 jobs and provide \$981.758 million in benefits. An anticipated \$20 million appropriation will only partially fund the continuing projects, leaving a balance of \$37.258 million.

There are 4 new projects in the 2012-13 program, which will require an additional \$26.3 million. These new projects will create or retain 1,880 jobs and will generate \$171.304 million in benefits. The Joint Transportation Committee will consider adopting the program when it meets on March 12, 2012, the first day of the legislative session.

The continuing projects and the new projects will require a total of \$63,555 million for completion. If only \$20 million is appropriated annually to the program, the math is clear that it will require 3 plus years to fund the 8 continuing and 4 new projects. Any new applications during subsequent years will add to the total amount required and the funding problem for the program.

Dr. James Richardson has been selected by DOTD to accomplish the economic analysis for the Port Priority Program through DOTD's existing contract with the University of New Orleans. That contract will end on June 30, 2012 and DOTD must undertake the process to select an economist for a longer term.

Hydrokinetic Generator Rules

The Office of Mineral Resources (OMR) adopted the revised rules incorporating several requested changes by Ports and DOTD which will allow Port to more efficiently review applications for permits for Hydrokinetic Generators. However, OMR rejected some of those requests and particularly that Ports be allowed to charge the applicant for reimbursement of actual expenses incurred in contracting for experienced consultants to analyze if the generator sites may hinder navigation.

Senator Jody Amedee has introduced SB 257, which will allow ports to seek reimbursement for actual expenses incurred by ports.

Free Flow Power will apply to the Federal Energy Regulatory Commission for a permit to install generators under long segments of the Mississippi River. They have become associate members of PAL. This association will allow more direct and earlier communications of issues which may affect navigation. Free Flow Power is currently conducting a feasibility test at a site in the Mississippi.

Design-Build for Ports Representative Walt Leger has introduced HB 652 to permit ports to utilize Design-Build. As introduced, it is a pilot program restricted to a total of 12 projects, and with a sunset date of December 31, 2017.

The bill has been drafted after considering suggestions by engineers who are proponents and opponents to the bill. The proposed bill, with changes, was drafted by Don Brinkman and Mike Dees of the Port of Lake Charles, the original proponent of Design-Build for ports.

Additionally, a Design-Build Chapter of the National Design-Build Association has been organized in Louisiana. This organization will support Design Build authorization for Ports and possibly other public entities.

Coastal Protection and Restoration –2012 Plan

The Maritime Focus Group was formed by the Coastal Protection and Restoration Authority early in 2011. The group has provided the opportunity for navigation interests to comment relative to the draft 2012 Coastal Master Plan. The Plan includes approximately 285 projects costing approximately \$50 billion as outlined by Mr. Reinhardt at the February PAL meeting.

The Focus Group has met 4 times with Kirk Reinhardt and his staff. The purpose of the focus group was to allow the exchange of information as to how navigation and ports located within the coastal zone may be impacted by the master plan projects. Additionally, Mr. Reinhardt presented the draft plan to PAL at its February meeting. At the request of Mr. Reinhardt, PAL will provide the CPRA staff with data on the economic importance of ports located in the coastal zone extracted from the Ports Economic Study. All of the Deepwater ports, coastal ports, and several inland ports are in the Coastal Zone.

The plan will be submitted to the Legislature on March 26, 2012 and will be under consideration by the Legislature for adoption.

Ports of Louisiana Economic Impact Study

Dr. Richardson has received substantial comments from ports and in response continues to revise the study. The preliminary study with changes was presented by Dr. Richardson at the PAL Annual meeting in Lake Charles on March 8th. The final document is scheduled to be completed in mid-March.

Port Tax Incentives

The rules relative to the Import/Export Tax incentive have not been adopted as LED continues to review the data provided by the Port of New Orleans to support the economic conclusion that the state will not have a net loss of revenue upon implementation of the tax credit. Because of the General Session limitations, no amendment can be offered to legislatively adjust the Port Tax Incentives.

The Infrastructure tax credit rules have been implemented.

Harbor Dredge Funds

PAL is a member of the Big River Coalition and it continues to support the efforts to secure adequate funding for dredging of navigation channels in La. and the nation.

Through the Big River efforts and the La. Congressional delegation, recently Congress enacted legislation to deal with Mississippi River Flood damage and provided additional funding for dredging the lower Mississippi River, which will allow the channel to be maintained to the authorized depth during 2012. PAL continues to support the legislation to require the use of the Harbor Maintenance Tax for dredging of harbors and channels.

On January 10th, the Big River Coalition released its study by Dr. Tim Ryan relative to the economic effects on shipping caused by reduced dredging of the Mississippi River. Dr. Ryan found that a reduction in the draft to 44 ft from the authorized 45 ft will cost a direct loss of \$722 million in spending and a \$1.4 billion loss in total spending and a reduction in the draft to 38 ft will cause the U. S. economy a loss of up to \$7.2 billion in direct spending.

The long term solution to dredge funding is requiring that all of the Harbor Maintenance Tax be utilized for harbor dredging and maintenance as provided by the Realize America Maritime Promise Bill (RAMP ACT) by Congressman Boustany and supported by the La. Congressional delegation, and more than 100 other Congressmen.

Permitting Issues

DOTD and the Department of Natural Resources, with participation from PAL and

ports, continue to draft a Memorandum of Understanding relative to DNR permit requirements for “economic justification” and “beneficial use” of dredging in the Coastal Zone.

The ultimate goal of the MOU is to allow DNR to accept the Port Priority Program “beneficial use/economic justification” analysis of a Port Priority Program project, when a port applies to DNR for a permit to dredge in the Coastal Zone. The MOU will require that the port justify and document the expansion and development or that it is a part of the Port Master Plan.

The MOU was the subject of the Annual Meeting panel discussion between Phil Jones of DOTD, Dave Fruge” of DNR, and Pete Serio of USACE on March 8th.



Joe Accardo
Executive

Corporate Member News

Port of South Louisiana

LaPlace real estate developer Joseph Scontrino III was appointed to the Port of South Louisiana's board of commissioners Thursday by the St. John the Baptist Parish Council.

Scontrino, president and CEO of Landcraft LLC, was approved unanimously by the seven council members who attended a special meeting, although council members grumbled that they had little time to evaluate the two candidates for the job.

"I hate doing things on a rush," Councilman Larry Snyder said.

Council members Ranney Wilson and Cheryl Millet were absent from the special meeting, which was called on Tuesday.

Parish President Natalie Robottom told council members they didn't have more time because

required nominations from the industry groups did not arrive until earlier this week.

"I feel the same way that you do. I don't like to be pushed to the limit," Robottom said.

Had the council not acted, it would have lost the power to make the appointment to Gov. Bobby Jindal. Robottom said that she and Jindal had spoken and that he was ready to appoint Scontrino.

Scontrino was nominated by the Greater New Orleans Barge Fleeting Association and the River Region Chamber of Commerce. St. John businessman Pat Sellars was nominated by the New Orleans and Baton Rouge Port Pilots Association.

"I know both of them, and I didn't see a problem with either one of them," Council Chairman Lucien Gauff III said. "But I think Mr. Scontrino, as a business person, does give us an opportunity to bring a lot of value to St. John Parish."

If confirmed by the state Senate, Scontrino will replace Rusty Gaudet, who did not seek a re-appointment to the commission.

The governor appoints four of the port's seven commissioners, while St. Charles, St. John the Baptist and St. James parish governments appoint one member each. Commissioners for all but one seat must be nominated by certain groups, most of them river-related industry associations. The governor has one appointment on the commission who must be a resident of one of the three parishes.

Robottom said that she has been assured that Edgard resident Louis Joseph, now the port commission chairman, will be re-appointed. Joseph has been nominated by the AFL-CIO.

South Tangipahoa Parish Port Commission

Citing a desire to spend more time with his family, law practice and other public service projects, attorney Parker Layrisson has tendered his resignation from the South Tangipahoa Parish Port Commission.

"My six years as port commissioner were extremely rewarding," said Layrisson. "I'm

proud we were able to survive the recession and the loss of our biggest customer while creating jobs, bringing in new businesses, and improving our infrastructure at no direct cost to local taxpayers. Now that I'm getting married, taking over as Rotary President and expanding my law firm, it's time to move on."



Layrisson has served as port commissioner since 2006. He was elected port secretary in 2008 and port president in 2010. His resignation will take effect on April 1st, just two weeks before he will become Ponchatoula Rotary Club President and three weeks before he will marry Brandie Bruno of Independence.

The South Tangipahoa Parish Port Commission consists of seven commissioners appointed by the governor to oversee Port Manchac, a public inter-modal port facility capable of handling cargo by barge, rail or truck. Commissioners are not paid for their service.

"I was blessed to work with so many talented people at Port Manchac," said Layrisson. "Former commissioners Don Bankston, Paul Hooks and Tony Licciardi were smart, hardworking guys who showed me the ropes. Current commissions Don Boihem, Mike Williams and Mark Griggs are respected former port presidents who will always keep the commission on the right track. With present port president Daryl Ferrara and treasurer Lucas Watkins, we couldn't be in more capable hands. Finally, port director Pat Dufresne and staff secretary Hellen Muller form the best day-to-day management team in the business. I will miss them all."

Associate Member News



How will the Panama Canal expansion affect Louisiana bulk terminals?

The Panama Canal will begin its second century of operation in 2014 by opening a third shipping lane, allowing much larger vessels to transit the canal than the two current lanes. The new lane will accommodate vessels with a 50 foot draft, 1,200 foot length, and 160 foot beam. The addition of the new lane is targeted primarily toward intermodal container shipping between Asia and the U.S. East Coast. With this focus on container vessels, many Louisiana bulk terminal operators have been left to wonder how or if the canal expansion project will affect them, and what they need to do to prepare their facilities for these larger vessels.

The increase in allowable vessel draft to 50 feet will be tempered by the lack of deepwater bulk ports in Louisiana, and an increase in vessel length can usually be accommodated by shifting along an existing dock. The real challenge for bulk terminals will be loading or unloading vessels with a beam up to 55 feet wider than current Panamax vessels. Loading and unloading wider vessels will present significant operational challenges, increasing load and unload times, decreasing productivity, and potentially risking demurrage costs. To mitigate these problems, facilities that have been designed for the existing Panamax vessels will require upgrades to loading and unloading booms, support structures, and even dock foundations and mooring systems.

The good news for bulk terminal operators is that the change will not be immediate. The container industry already dominates canal traffic, and with its need for precise schedules and larger capacities will be the first to take advantage of the new canal lane. While some Post Panamax bulk carriers are under construction, the existing Panamax fleet will remain in service for several years. Bulk terminal operators that have a good understanding of the current condition and life expectancy of their docks and equipment can forecast when a major overhaul should be performed, and can use this opportunity to include the capacity to handle larger vessels into their long-term strategic planning.

Article by Bob Klare
Director of International
Development for River
Consulting.



U.S. Senator Mary L. Landrieu, D-La., announced that the Army Corps of Engineers will provide \$3.6 million in additional federal funding for dredging on the Red River Waterway. The decision comes after Sen. Landrieu and the Louisiana congressional delegation urged the Corps to provide the necessary investments in the waterway.

Sen. Landrieu secured \$7.56 million for maintenance dredging on the waterway in last year's omnibus appropriations bill, but vowed to push for more funds. The additional funding comes from money provided in the FY 2012 Disaster Relief Appropriations Act.

“Between 2008 and 2009, the Red River Waterway had the largest increase in tonnage of any waterway in the nation, and has continued to increase with the expansion of gas exploration in the Haynesville Shale. Dredging on this waterway is vital for industry and business,” said Sen. Landrieu, Chair of the Senate Appropriations Subcommittee on Homeland Security. “These additional funds, which the Louisiana delegation fought hard to secure, will help ensure that the waterway is properly maintained and dredged, so that commerce can continue to move efficiently through our region. We will continue pushing to ensure that the Red River and Louisiana’s other critical waterways receive the funding they need for proper maintenance.”

Industry leaders, waterway users and shippers as well as recreation enthusiasts from throughout the Red River Waterway region are relieved and excited to learn of the additional funds for dredging purposes.

Proper and consistent dredging is the lifeblood of our river system. It means commerce flows, jobs stabilized, industries and communities served and recreation activities preserved. We cannot thank our Congressional delegation enough for understanding the importance of this critical funding," said Ken Guidry, Executive Director of Red River Waterway Commission and Richard Brontoli, Executive Director of the Red River Valley Association.

The Red River Waterway had a 34 percent increase in tonnage from 2008 to 2009. To date, over \$543 million in private, state and local funding has been invested in infrastructure at the five public ports and three largest private terminals. The Red River's funding level in the Fiscal Year 2012 budget was insufficient for proper maintenance and threatened this investment.



T. Baker Smith (TBS) welcomes Andree Cortez, P.E. and Dennis Hymel, Jr., E.I. to our team. Andree and Dennis are both working out of our Thibodaux office.



Andree, born and raised in Thibodaux, LA, is a professional engineer with over 10 years of experience in civil and structural engineering. Her past experience includes hydrologic/hydraulic design, storm water routing, levee design, storm water management design and water quality, site development, pavement design, structural design including steel structures, concrete foundations and earth retaining structures, permitting and construction administration.

Andree also attended the Levee and Flood Control Works Inspection course at the office of OCPD, currently CPRA, in Baton Rouge. As a result of passing the course, she is considered a Flood Control Works (FCW) Inspector (certified levee inspector). Ms. Cortez is authorized to identify and differentiate between typical

important features of levee embankments, floodwalls, drainage structures and pump stations, visually assess overall conditions, and accurately rate and report conditions.

Dennis, born and raised in Vacherie, LA, is an engineer intern with over 10 years of experience in design and construction. Dennis has supervised, drafted and prepared plans and specifications for site work, roadway, structural, marine and infrastructure projects. His experience in design includes drainage design, roadway and bridge design, pavement design, structural design, site layout, site utilities, erosion control, and port facilities design. He has provided solutions to local governments, departments of public works, Louisiana Department of Transportation and Development, and public / private partnership projects using both design-bid-build and design-build methods of delivery.

Both Andree Cortez and Dennis Hymel will add value and expertise to your project needs. To find out more about how they can assist you, please contact Andree at (985) 493-2938 or andree.cortez@tbsmith.com. Dennis can be contacted at (985) 493-2963 or dennis.hymel@tbsmith.com.

For more information on the solutions that our team offers at T. Baker Smith, please visit our website at www.tbsmith.com.

Legal News



WHEN IS A TOWING VESSEL AN INSPECTED VESSEL?

In a prior column I discussed the rule adopted by the Courts that if a seaman (as defined by the Jones Act) is injured as a consequence of his employer's breach of a government regulation or statute intended to protect the safety of seamen, then the employer is presumed negligent *per se*. The burden then falls on the employer to prove that its violation of the statute could not, to any extent, have been a factor which contributed to the cause of the accident and resulting injury. This can be a heavy burden for the employer to

carry. Further, if the judge or jury finds that the employer did breach a safety regulation intended to protect the seaman, and the breach was a contributing cause of the injury, then the employer is 100% responsible for the damages, even if the injured employee also acted so as to contribute to causing his injury.

Recently this doctrine became the focus of attention in an interesting case from the United States District Court in Hawaii. In *Habel v. Grove Farm Fish & Poi, LLC*, decided February 27, 2012, Habel, a diver and offshore crewman assigned to Grove's vessel the M/V WAILOA, suffered a decompression injury as a consequence of a dive to 130 feet. He filed suit and claimed that Grove failed to provide a safe place in which to work, including lack of commercial diving safeguards and procedures required by law.

Habel claimed that he was entitled to legal status as a seaman assigned to the WAILOA because of his work as a diver from the WAILOA, and because he spent 95% of his time working aboard the WAILOA helping with the mooring lines, piloting, and maintenance of the engines. Habel claimed that he clearly contributed to the mission of the WAILOA and was entitled to the protections afforded him by the Jones Act.

Habel also argued that U.S. Coast Guard commercial diving regulations created mandatory legal duties which Grove was required to follow. In support of his argument, Habel stated that the U.S. Coast Guard regulations applied to his diving work staged from the WAILOA because the WAILOA was required to have a Certificate of Inspection issued by the Coast Guard due to its status as a "towing vessel" subject to inspection by the Coast Guard (citing 46 U.S.C. 2101(40), 3301(15) and 3311(a); 46 C.F.R. 197.202). In addition to its other uses, the WAILOA was also utilized to tow a "feed" barge to the offshore fish pens. Specifically, he alleged that Grove breached Coast Guard commercial diving regulations requiring that it have in place a diving supervisor to insure that certain safety procedures are followed for the protection of the diver in the water. Because Habel was the intended beneficiary of these regulations, and their breach by Grove caused his injury, Habel sought a ruling from the court that Grove was negligent *per se*.

In its defense, Grove argued that the Coast Guard regulations relied upon by Habel did not apply because the Coast Guard had never required the WAILOA to have a Certificate of Inspection, and it was not an inspected vessel when Habel worked aboard her. Grove noted that the Maritime Act of 2004 amended 46 U.S.C. 3301, *et seq.*, added towing vessels to the classes of vessels that require Coast Guard inspection. However, the statute is silent as to what particular cases came within the rule prescribed by Congress. Grove argued that the statute only authorized the Coast Guard to establish regulations for implementing the new requirement, and that the statute had no force of its own without the administrative adoption of implementing regulations. Because the Coast Guard had not actually implemented any procedures for the inspection of towing vessels during the time that Habel was employed, the statute had no effect and did not apply to the WAILOA. It argued that the statute cited by Habel as requiring inspection of the WAILOA was dependent on the Coast Guards *pending* regulations to determine whether vessels like the WAILOA were subject to inspection, and, if so, the nature and scope of the inspection. In short, Grove claimed that there were no Coast Guard procedures in place for the inspection of the WAILOA when Habel was injured, and that the safety regulations relied upon by him did not apply as she was an uninspected vessel at the time of the injury.

In sorting this out, the court agreed with Habel that 46 U.S.C. 3301(15) classified all "towing vessels" as vessels subject to Coast Guard inspection and that the action of classification was complete and effective upon enactment in 2004. It found that although the WAILOA was not required to be inspected by the current Coast Guard regulations, it did not follow that the WAILOA was not a "towing vessel" subject to 3301(15). The court held that 3301(15) brought the WAILOA within reach of the inspection statute regardless of the ultimate inspection regime to be established by as yet unpromulgated regulations. The court found that the WAILOA fit the statutory definition of a towing vessel, 46 U.S.C. 2101(40), and that the fact that the Coast Guard did not yet have in place inspection guidelines or procedures, and that the WAILOA had not actually been inspected and held no certificate was of no moment. The WAILOA fit the definition of a

towing vessel which was subject to Coast Guard inspection and, consequently, the Coast Guard commercial diving regulations applied to Grove's diving operations conducted from her, even though she had never been inspected and did not require a Certificate of Inspection when Habel was injured.

Thus, meeting the statutory definition of a "towing vessel" was enough to expose Grove to presumption of negligence *per se*.



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LED NEWS

For the Second Year in a Row, Louisiana Ranks in Top 10 for Site Selection Governor's Cup

State ranks No. 3 in U.S. for per-capita economic development project wins in 2011

Site Selection magazine released its annual Governor's Cup rankings, and Louisiana ranks No. 3 in the U.S. on a per capita basis and No. 10 overall for states that gained the most new and expanded corporate facilities in 2011.

The Governor's Cup measures the quantity of significant business development projects for the calendar year.

In its 2011 Governor's Cup awards, *Site Selection* also recognized several metro areas in Louisiana. Baton Rouge placed first among metropolitan areas with populations between 200,000 and 1 million. This is the second year in a row the Capital Region topped the *Site Selection* list in its category. Shreveport-Bossier City was tied for ninth place in the same category. Lake Charles was tied for fourth among metropolitan areas with populations between 50,000 and 200,000, and Morgan City was tied for eighth among micropolitan areas with populations between 10,000 and 50,000.

Gov. Bobby Jindal said, "This ranking is yet another example of Louisiana's strong economic

momentum and positive business climate. By eliminating burdensome business taxes, reining in spending, overhauling ethics laws, and revamping our workforce development system, Louisiana now has one of the best business climates in the country. We've made great progress, but we must continue to make Louisiana more attractive to companies who want to expand or invest here, and that means pursuing bold education reforms to make sure we have a skilled workforce that is prepared for jobs in the 21st century workforce."

Since January 2008, the state has secured projects that are creating more than 46,500 new direct and indirect jobs and more than \$10.5 billion in new capital investment, as well as hundreds of millions of dollars in new sales for small businesses across the state. Louisiana's second-consecutive Top 10 ranking resulted from dozens of major business development projects the state successfully secured in 2011, including expansions of existing companies in Louisiana and attraction of new companies to the state.

For example, CenturyLink in June 2011 announced a second major headquarters expansion since 2009 in Monroe and will create nearly 800 new jobs – on top of a previous commitment of 350 new jobs – along with an approximately \$30 million capital investment. Gameloft announced the establishment of a major game development studio in New Orleans that will hire about 150 professionals. Ronpak Inc. selected Shreveport as the site of a new \$17 million manufacturing plant with 175 new direct jobs.

Cheniere Energy and Sasol Ltd. announced plans for multibillion-dollar projects in liquefied natural gas (Cheniere) and gas-to-liquids refining (Sasol) in facilities near Lake Charles. Schumacher Group announced an expansion of its Lafayette headquarters that will result in 600 new direct jobs, along with additional headquarters office space and a new training facility. Sundrop Fuels Inc. announced it will build a \$450 million advanced biofuels refinery near Alexandria and create 150 new direct jobs, including research and development positions. In Baton Rouge, Electronic Arts Inc. announced an expansion of its North American Test Center for video games, which will add 200 employees for a total of 600 jobs after EA moves into the new Louisiana Digital Media Center at LSU in the next year.

"Thanks to Louisiana's skyrocketing business climate rankings and our aggressive focus on economic development, our state continues to outperform the South and U.S.," said Louisiana Economic Development Secretary Stephen Moret. "We are particularly grateful to Gov. Jindal and the Louisiana Legislature for approving economic policy changes that have made Louisiana more competitive and providing the tools necessary for us to successfully compete with other states for new jobs and business investment. Our state's economic success is the result of both expansions of existing companies as well as the addition of new companies investing in Louisiana for the first time. Louisiana's economic future is very bright and getting brighter every day."

Site Selection's Governor's Cup rankings are based on the quantity of new and expanded facilities as tracked by Conway Data Inc.'s New Plant Database, which focuses on new corporate location projects with significant impact. It does not track retail and government projects, schools or hospitals. New facilities and expansions included in the rankings must meet at least one of three criteria: (1) capital investment of at least \$1 million; (2) creation of at least 50 new jobs; or (3) new construction of at least 20,000 square feet.

World Trade Center



Louisiana 2011 Exports Set All-Time Record

Following a national trend, Louisiana's 2011 worldwide merchandise exports increased by 33.3 percent over 2010, breaking the previous single-year record set in 2008, according to a report released today by the World Trade Center of New Orleans. For the year, Louisiana exports totaled \$55.12 billion, compared to \$41.35 billion in 2010 and far exceeding the previous record of \$41.9 billion.

Louisiana's principal export markets for 2011 were China (\$7.34 billion, up 13.1 percent), Mexico (\$5.69 billion, up 105 percent), and Japan (\$3.85 billion, up 25.5 percent), followed by the Netherlands, Canada, Korea, Singapore, and Brazil.

WTC CEO Dominik Knoll stated that "Louisiana can be very proud of what was accomplished in 2011. Our success is a reflection of cooperation between our great ports and transportation system, our economic development agencies, our agriculture industry and food producers, and all the businesses, large and small, which are growing their companies through international trade." Mr. Knoll added "The World Trade Center is very aggressively pursuing activities to continue this kind of export growth and in 2012 we'll expand our efforts through training, trade missions, and other services that will keep our members on the leading edge of international trade and investment. Once again, we see the benefit of a strong partnership between WTCNO and the State of Louisiana."

Exports for all 50 states and Puerto Rico, the U.S. Virgin Islands, and the District of Columbia also set a record in 2011, totaling \$1.48 trillion, a 15.8 percent increase over 2010. Louisiana ranked 7th among U.S. states, with the highest rate of export growth among the leaders. The state with the next highest rate of growth among the top 20 was Illinois at 29 percent.

Donald van de Werken, Director of the United States Export Assistance Center in New Orleans, highlighted some of the factors influencing Louisiana's record year. "As in 2010 and again in 2011, Louisiana natural resources were a significant reason for 33 percent increase in total Louisiana exports. Louisiana manufacture of chemicals and refined products has continued to see strong export potential (increase 28 percent) to rapid growth markets such as China, Mexico, South Korea and Chile. Food products continue to find new market potential in Latin America and the EU. U.S. Free Trade Agreements approved by Congress have doubled and in some cases tripled Louisiana exports to markets like South Korea, Mexico and Chile. Ports handling coal and other natural resources continue outstanding export activity, growing 74 percent."

Energy, Agriculture Sectors Lead

The value of Louisiana's petroleum and coal exports rose almost 75 percent in 2011, from \$10.8 billion to \$18.9 billion, reflecting growing global demand and higher prices. Agriculture exports followed at \$17.3 billion, up 14.18 percent, with chemicals (\$8.14 billion, up 29

percent), food manufactures (\$4 billion, up 2.2 percent), and minerals and ores (\$1.7 billion, up 117 percent) rounding out the state's top five industries.

“U.S. agriculture exports reached a record-breaking \$136 billion in 2011”, said Jerry Hingle, Executive Director of the New Orleans-based Southern United States Trade Association. Exports of most commodities as well as value-added consumer ready food soared to markets such as Canada, Mexico, China and other key Asian destinations. “For Louisiana, this is big news. More agricultural products leave our shores than any other state in the nation. Bulk commodities were aided by a competitive dollar and short international supplies, and international demand for Louisiana food and cuisine continues to rise. This is great news not only for farmers in our state but also for the thousands of jobs here in Louisiana created through international trade.”

Louisiana Ports See Gains in Vessel Weight

Louisiana ports registered a gain of 6.3 percent in vessel weight, compared to the U.S. increase of 9.66 percent. Vessel weight is used to measure the growth in the volume of exports as opposed to the dollar value alone.

“This is great news for the entire maritime community and mirrors the activity at the Port of New Orleans,” said Gary LaGrange, President and CEO of the Port of New Orleans. “All indications are we can expect this type of export performance to continue throughout 2012.”

The WTC report covers the exports of both Louisiana-originating products and some major commingled bulk commodities (especially grain and coal) that are produced in other states, shipped abroad from Louisiana's ports, and recorded as Louisiana exports because of Department of the Census standards used to

calculate exports.

MARK YOUR CALENDARS

April 5, 2012 – PAL Monthly Meeting, 10AM, Richmond Suites, Baton Rouge

April 10-12, 2012 -4th Annual Critical Commodities Conference – New Orleans - www.criticalcommoditiesconference.com.

May 3, 2012 – PAL Monthly Meeting, 10AM, Richmond Suites, Baton Rouge

June 7, 2012 – PAL Monthly Meeting, 10AM, Location TBA

July 12, 2012 – PAL Monthly Meeting, 10AM, Location TBA

August 2, 2012 – PAL Monthly Meeting, 10AM, Richmond Suites, Baton Rouge

September 6, 2012 – PAL Monthly Meeting, 10AM, Richmond Suites, Baton Rouge





Honoré and Kleckley photos courtesy of Peter O'Carroll of the O'Carroll Group