

NEWS FROM THE DOCKS



ASSOCIATION OF LOUISIANA

Louisiana Ports Deliver

January 2007
Volume 8, No. 1

Message from the PAL Office

The New Year has begun and PAL is off to a running start. All of our corporate and associate members should have received their 2007 membership renewal information. If not, please contact this office and I will be happy to provide you with the appropriate information.

PAL's 25th Annual Conference is on the horizon. It will be hosted by the Port of South Louisiana and South Tangipahoa Parish Port Commission April 25-27th. You will be receiving "Mark Your Calendar" post cards shortly. Our host hotel will be the Hilton in Kenner. The program promises to be both entertaining and informative. The conference will coincide with Jazz Fest in New Orleans and this will be an excellent opportunity for you to do both! Please plan to join us.

PAL Associate Membership reached 104 by the end of 2006. We want to build on that foundation and grow even larger during 2007. If you are considering membership, please contact the PAL office. This month we welcome another new member, our first of 2007!

Legislative Update

During the month of December a special session of the legislature was called. During that session several bills were introduced to help provide additional funding for Louisiana's ports. Rep. Roy Quezaire filed House Bill 65 to appropriate an additional \$25 million to the Port Construction and Development Priority

Program. Unfortunately the session adjourned before the bill could be heard.

Sen. Reggie Dupre introduced Senate Bill 14 to give a portion of the surplus mineral revenue to the Port Construction and Development Priority Program. The bill was reported favorably from the Sen. Finance Committee and briefly debated on the floor of the Senate just before the early adjournment.

PAL appreciates the efforts of these legislators and those who supported them. Additional funding for port infrastructure is critical in maintaining our ability to be competitive with neighboring states and in a global market.

Corporate Member News

Port of Lake Charles

Lake Charles Harbor and Terminal District hosts Conference to Develop Trade Between West Africa and South Louisiana

On Wednesday, December 6, 2006, the Port of Lake Charles hosted a conference to discuss potential trade opportunities between Liberia, Cameroon, Gabon and Southwest Louisiana. Participation in the conference included Board members and staff from the Lake Charles Harbor and Terminal District, the Liberian-American Center for Trade Development, the Douala Urban Council, the Lake Charles African American Chamber of Commerce and representatives from Senator Mary Landrieu's and Congressman Charles Boustany's office



(Mark Abraham, President, David Darbone, Secretary/Treasurer, and R. Adam McBride, Port Director, Lake Charles Harbor & Terminal District welcomes Julius Oben, Douala Urban Council, and Joe DeClouette, President of the Lake Charles African American Chamber of Commerce to the African Trade Conference)

Mark Abraham, President and David Darbone, Secretary/Treasurer of the Lake Charles Harbor and Terminal District welcomed the group to the Port of Lake Charles and expressed the Port's interest in playing a vital role in assisting the group in achieving its goals. R. Adam McBride, Port Director for the Port of Lake Charles said, "It is the desire of the Board of Commissioners and Port staff to reach out to the community and to help promote trade and economic development for Southwest Louisiana".

The conference's main focus was to clarify and identify possible trade markets between West Africa and Southwest Louisiana. Discussions also included international financing and transportation issues in West Africa, Southwest Louisiana and the United States. Mr. Julius Oben, representative of the Douala Urban Council, expressed West Africa's willingness to trade with the United States and more specifically with Louisiana. Mr. Oben said, "Our interest in Louisiana is due to the relationships developed from the African Growth and Opportunities Act (AGOA) workshop held in Lake Charles in 2005 to increase awareness of African economic growth". The AGOA was signed into law on May 18, 2000 as Title 1 of The Trade and Development Act of 2000 which offers tangible incentives for African countries to continue their

efforts to open their economies and build free markets.

Mr. Chester Jones, Chairman of the African American Chamber of Commerce said "it is very important the interest shown to this group by Senator Mary Landrieu's office as well as Congressman's Boustany's office, we anticipate concrete results from the groups efforts.

The Lake Charles Harbor and Terminal District was created by the Louisiana Legislature in 1924. The District encompasses 203 square miles in Calcasieu Parish and is 12th largest port district in the United States. The Port of Lake Charles has 15 deep water ship berths, a 40 ft. channel, and over 1.6 million sq. ft. of covered storage. The District is governed by seven appointed Commissioners.

Port Fourchon

Deepwater Trends Predicted to Drive Further Growth at Port Fourchon

The importance of the deepwater extension of the Lower Tertiary trend is the significant increase in oil and gas reserves it will provide for decades to come. The Lower Tertiary trend could boost the U.S. oil and gas reserves as much as 50%, holding up to 15 billion barrels of oil and natural gas liquids. Discoveries in the Gulf of Mexico Lower Tertiary have been at variable depths, wells drilled as shallow as 15,000 feet in some areas and as deep as 30,000 feet in others.

In the Gulf of Mexico newsletter, October 16, 2006 edition, it was stated "the outlook for 2007 indicates a continued steady increase in production." One of the main market drivers of this increase is the startup of new deepwater developments. For years, Minerals Management Service (MMS) has emphasized this area as an area of "huge potential" of the deepwater zone.

Chevron announced recently that it successfully completed a record setting production test on the Jack #2 well at Walker Ridge Block 758 in the Gulf of Mexico. The Jack #2 well, the largest U.S. oil discovery in the deepwater Gulf of Mexico, is being serviced out of Port Fourchon along with the Jack #1. A third Jack well is scheduled for 2007.



Economist Loren Scott said that he is very optimistic about this area of the state due to what he calls the “Jack effect”. Scott said, “The discovery will help add about 3,800 local jobs over the next two years, a solid growth rate of about 2.2% annually.”

That rate would make Lafourche-Terrebonne the second-fastest-growing of the eight metropolitan areas in the state behind the Lafayette area, which is expected to have a growth rate of better than 2.4 percent.

Ted Falgout, Port Director said, “It is hard to quantify at this time what the Jack and others to come are going to mean, but one thing is for certain, without a substantial financial commitment from the federal government, it will be very difficult for landside support communities to meet the demands that will be placed upon them to fuel this nation.”

Port of New Orleans

MSC Ship Shatters Port’s Container Volume Record - 2,924 Container Moves Beats Former Record Set In March

Mediterranean Shipping Company’s 984-foot *MSC Alessia* is arrived at the Port of New Orleans’ Napoleon Avenue Container Terminal on December 21st, setting container volume records at Port docks.

The vessel required 2,924 container moves, the highest volume of containers ever handled by one vessel at the Port of New Orleans. All four of the Port’s gantry cranes were used to accommodate the ship’s general cargo load.

The record-setting container vessel arrived nearly nine months after *MSC’s Carolina* set high marks for container moves in late March with 2,105. Stevedore P&O Ports, Louisiana

worked the *MSC Carolina* and the *Alessia*, as well.

“We are truly excited about the continued revival of container volumes in the Port of New Orleans,” said Terry White, Port Vice President for P&O Ports, Louisiana. “Our labor team continues to do an outstanding job of setting the standard for world-class productivity.”

Allen Clifford, Executive Vice President – Commercial, for Mediterranean Shipping Company, said the ship’s workload shows the confidence the shipping company has in New Orleans.

“MSC continues to have full faith in the Port of New Orleans and considers it an important and pivotal port in the entire Gulf region,” Clifford said. “The strength of this cargo continues to show that we are serious about doing business in New Orleans.”



More than 1,100 containers will be coming into the port and about 1,800 will be loaded onto the ship.

“We truly appreciate the confidence in the Port of New Orleans shown by our shipping partners, especially MSC,” said Port President and CEO Gary LaGrange. “Container business within the Port is returning to normal levels and that is a tribute to the hard work and dedication of our customers, terminal operators and the entire Port community.”

Port docks were bustling during the final two weeks of 2006, as a total of 46 ships – including 20 container vessels called on the Port. On Dec. 24, the *MSC Alessia’s* sister ship, the 997-foot *MSC Michaela* called on the Napoleon Avenue Container Terminal.

.....

*Steel Imports Spur Recovery Of Port
Port, Industry Officials Remain Vigilant Of
Import Restrictions, Expect Healthy 2007 For
Import Steel*

Steel imports played a crucial role in the recovery of the Port of New Orleans after Hurricane Katrina, increased nearly 60 percent in the first nine months of 2006, compared to the same period in 2005.

Imported steel comprises about 45 percent of the Port of New Orleans' annual general cargo and yearly revenue stream. However, import restrictions on this valuable cargo nearly crippled the Port of New Orleans and many other ports throughout the nation in 2002 and 2003.

"We must ensure we do not restrict free trade and the flow of steel in the future," said Gary LaGrange, President and CEO of the Port, during a joint press conference with the American Institute for International Steel. "Our economy continues to grow and we must remain vigilant against import restrictions in the future."

During the first nine months of 2006, the Port handled more than 3.44 million tons of imported iron and steel products. Those figures are up more than 1.27 million tons compared to the same period in 2005. And Port and industry officials expect another bustling year for imported steel in 2007, as U.S. demand remains high and inventory adjustments continue throughout the first quarter.



David Phelps of the American Institute of Imported Steel discusses steel tariffs. From left to right behind Mr. Phelps is Randy Walters of the Red River Waterway Commission, Marilyn Haley of the Port of Shreveport Bossier, Conrad Appel, chairman of the Port of New Orleans, and Gary LaGrange, CEO of the Port of New Orleans.

AIIS President David Phelps visited New Orleans this week to tout a recently released economic impact study the Institute conducted

measuring the effects of the Section 201 Steel Import Restrictions, implemented on March 5, 2002, and eventually repealed in December of 2003.

The Martin Associates study found 9.3 million tons of steel nationally was lost from the marine transportation system during the 22-month restriction period, or a negative 4.629 million tons per year. Those negative figures equaled losses of \$391.1 million in personal wages, \$360.6 million in business revenue, \$77.3 million in federal taxes, and \$38.2 million in state and local taxes. The losses also meant fewer jobs, as the marine transportation system missed 21.8 million man-hours, or 10,461 full-time jobs over the duration.

The study examined individual ports and regions, as well. It found the restriction period affected 631 direct and indirect jobs throughout the Lower Mississippi River Region, resulting in a loss of \$11.3 million in direct personal income, \$43.1 million in business revenue, and \$13.7 million in state and federal taxes.

At the Port of New Orleans, steel imports fell 46.5 percent in 2003, to a historic low of 1.93 million tons. However, after restrictions were lifted, imported steel jumped 109 percent in 2004 to 4.04 million tons.

"We must remain vigilant concerning protectionism issues," LaGrange said. "Imported steel is the lifeblood of the Port of New Orleans and is a main ingredient to the health of the United State's economy as a whole."

Imported steel is a vital cog for industry throughout Louisiana, as well. Steelscape, a subsidiary of Grupo IMSA, produces cold-rolled metallic-coated steel coils for construction markets at the Port of Shreveport-Bossier. In 2006, Steelscape was responsible for 10,000 tons of steel moving through the Port of New Orleans and barged upriver, while another 5,000 tons reached its north Louisiana destination by rail from New Orleans.

Those figures are expected to climb rapidly, as Steelscape enters new phases of development. For instance, the company expects to demand between 100,000 and 150,000 tons of steel in 2007, eventually reaching an annual need for up to 500,000 tons annually.

“That is big business not only for the Port of Shreveport-Bossier, but for the Port of New Orleans and the State of Louisiana,” said Eric England, executive director of the Port of Shreveport-Bossier. “As demand for steel continues to grow, we must work with domestic and foreign producers alike to ensure economic success.”

Globally, the International Iron and Steel Institute predicts steel demand will increase about 2.6 percent in 2007, a figure labeled “generally satisfactory growth,” by Institute officials.

Domestically, the AIIS predicts a small decrease in U.S. steel consumption from 2006 to 2007. Much of the decline in apparent consumption should be from the draw-down of surplus inventory early in 2007.

“But we expect underlying steel consumption to remain healthy throughout 2007,” Phelps said. “Import trends for 2007 are hard to predict at this point, but with generally strong macro-economic trends and solid steel consumption expected, we believe a good year is in store for imports in 2007.”

Legal News



UPDATE

The Department of Homeland Security's plan for implementation of the Transportation Worker Identification Card (TWIC) has been announced. While TWIC can be used for all personnel requiring unescorted physical access to secure areas of the National Transportation Service, it will have significant application when it comes to access by personnel and workers to our port facilities. Developed in response to threats and vulnerabilities in the nation's transportation system, the TWIC will positively tie the person to their credential and to their threat assessment. The Transportation Security Administration and the United States Coast Guard are working closely to implement and enforce the program. Up to 850,000 maritime

port transportation workers are initially expected to participate, including longshoremen, mariners and truckers. The cards will cost individuals approximately \$150.00 and the program will be implemented in a graduated manner, beginning with a small number of ports.

To procure a card, the applicant will undergo an extensive background check that will include a criminal and immigration history investigation. Applicants will provide fingerprints and sit for a digital photograph. A chip containing this information will be integrated into the card. The Coast Guard will be authorized to make random TWIC checks to ensure workers are properly credentialed through use of scanners.

Whether or not security of our ports will be enhanced by the use of TWIC remains to be seen. Certainly the Coast Guard's responsibilities are going to be expanded. However, the rule has been adopted and is the law of the land. Affected employees should be made aware of the rule and the steps necessary to apply for their TWIC. The final rule may be found at www.tsa.gov/twic.



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

America's Wetlands News



America's WETLAND Named Tops in Non-Profit Public Service Campaigns

At an awards ceremony held in the nation's capital, PR News, a leading public relations industry trade publication, presented its top honor for non-profit public service campaigns to the America's WETLAND Foundation and its groundbreaking work helping to save and restore Louisiana's coast through the America's

WETLAND: Campaign to Save Coastal Louisiana. The America's WETLAND Campaign joined the ranks of other non-profit winners including the American Veterinary Association, the Girl Scouts, and the U.S. Postal Service, among many others.

In the wake of Hurricanes Katrina and Rita, the issue of Louisiana's coastal land loss was brought to the international stage. Louisiana is the home to almost 6,000 square miles of coastal wetlands, but they are being lost at an alarming rate - over 230 square miles in the 1990's alone. This vanishing landscape of ecological significance supports and protects wildlife, communities and the important energy infrastructure that clings to Louisiana's tattered coast.

The America's WETLAND Campaign, the largest, most comprehensive public education campaign in the State's history, was 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.

.....

**Outer Continental Shelf Revenue Sharing:
An Historic Victory for Louisiana and the
Nation**

The holidays came early to America's WETLAND, when on December 9, 2006, the Congress passed the Domenici-Landrieu Gulf of Mexico Energy Security Bill.

Provisions in this historic legislation guarantee a 37.5 percent share of the revenues generated from new off shore oil and gas leases with the states of Louisiana, Mississippi, Texas and Alabama. In Louisiana, those funds will be used to restore wetlands and strengthen hurricane protection.

Welcome New Associate Members

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

Davezac Engineering is a consulting engineering firm located in Destrehan, LA. They will be represented by Mr. Roy Davezac.

MARK YOUR CALENDARS

January 11, 2007 – PAL Monthly Meeting – Baton Rouge

January 19, 2007- World Trade Center Luncheon –Going Global: Getting Started in Exporting and Importing - Registration and prepayment due by January 18 at 10AM. To register go to

<http://www.wtcno.org/programs/2007/expimpstarted1-19.htm>

January 24, 2007- World Trade Center Luncheon – “The Southern Louisiana Planning Process” – to register go to this Link

<http://www.wtcno.org/programs/2007/southla1-24.htm>

January 25, 2007 - Southeast Louisiana Regional Brownfields Consortium meeting. The meeting will be held on Thursday, January 25, 2007, at 10:00am at the Regional Planning Commission, 1340 Poydras, 21st Floor (in the large conference room), New Orleans, LA 70112.

February 1, 2007 – PAL Monthly Meeting – Baton Rouge

March 6-8, 2007 Inland Waterways Conference- You can register at www.inlandwaterwaysconference.com. You will also be able to book your hotel rooms at the IWC website. The 2007 Conference theme and topics will be announced the 2nd week of January.

March 13, 2007 – Millennium Port Authority – 10am – DOTD 3rd floor conf. Rm.

April 25-27, 2007 – PAL Annual Conference – Kenner, LA

June 12, 2007 – Millennium Port Authority – 10am – DOTD 3rd floor conf. Rm.

September 11, 2007 – Millennium Port Authority – 10am – DOTD 3rd floor conf. Rm.

December 11, 2007 – Millennium Port Authority – 10am – DOTD 3rd floor conf. Rm.

Louisiana

Ports Deliver