

# NEWS FROM THE DOCKS



Louisiana Ports Deliver

ASSOCIATION OF LOUISIANA

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## Message from the PAL Office



2015 is here! Let this year be guided by the words of Mark Twain...

*"Twenty years from now you will be more disappointed by the things that you didn't do than by the ones you did do. So throw off the bowlines. Sail away from the safe harbor. Catch the trade winds in your sails. Explore. Dream. Discover."*

A good way to start your new year is by planning to attend our annual conference. Information is posted on our web site at [www.portsoflouisiana.org](http://www.portsoflouisiana.org). We are working on some really special activities and events. Remember March 25-27. Hope to see you there!

## Legislative Update

The following are summaries of issues which may be of interest.

3055 East Lakeshore Drive •Baton Rouge, LA 70808

**Port Construction and Development Priority Program 2015/16** - The 2015-16 Program was approved by the Joint Legislative Committee on Transportation, Highways and Public Works at its December 18th meeting. The Program will consist of 13 continuing and 6 new projects costing \$456.7 million. The estimated construction cost for the projects is \$266 million, of which \$113 million is port and private funds and \$153 million is state fund. Only \$32 million of the state funding has been previously funded, resulting in a \$121 million balance of required State funding.

When all Projects are completed, it is estimated that \$1.545 billion of economic benefits will result, 1,416 jobs will be created and 838 jobs preserved.

**Transportation Infrastructure Funding Task Force**- The Task Force, chaired by Representative Karen St. Germain, met on December 10th to receive testimony from DOTD relative to the budgeting of Transportation Trust Funds and possible funding sources and adjustments to the scheduled 2017 vehicle sales taxes phased in transfer to the TTF. The Task Force is scheduled to meet on January 12th and possibly make recommendations to the Legislature and Governor Jindal on transportation infrastructure funding.

**Multimodal Commerce Advisory Commission**- The Multimodal Commerce Advisory Commission met on December 19th to receive testimony and a presentation from DOTD relative to implementing Act 719 relative to the Office of Multimodal Commerce. The testimony and discussion centered on how to transfer employees and existing funding to an

•(225) 334-9040 •fax (225)334-9044

independent Office of Multimodal Commerce directed by a Commissioner appointed by the Governor.

However, the questions and discussions suggested that additional and detailed information relative to job descriptions, mission statements and how each of the multimodal sections interact was necessary as well as information on possible Federal or State requirements or regulations which may restrict the use of funds or transfer of personnel was also needed. The stakeholders have discussed the need for engaging a consultant to make recommendations for the organizational structure.

#### **Louisiana Ports Import-Export Tax Credits-**

LED has finalized and published the Import-Export Tax Credit Rules. The Application for the tax credits are under final review by LED and representatives of the shipping industry. Paul Sawyer, representing LED, received several recommendations from the shipping industry on the draft application and the supporting information which are under further review by LED. Applications for the Import-Export tax credits can be timely filed after January 1, 2015 for the 2014 tax year.

Paul Sawyer has resigned from LED to take a position on the staff of Congressman Garret Graves and his successor has not been named by LED.

#### **Navigation Focus Group—CPRA**

The Coastal Protection and Restoration Authority-- Navigation Focus Group is scheduled to meet on February 5, 2015 to consider--

-- 2017 Coastal Master Plan Overview, including new project solicitation process.

-- Discussion of Master Plan projects in planning/feasibility.

a. Tentatively Selected--Calcasieu Ship Channel Salinity Control, and

b. Plan for Mississippi River Lower Barataria/Lower Breton Diversion.

Joe Accardo, Jr.  
325 Belle Terre Blvd, Suite A

Laplace, La. 70068  
985-817-0238 (cell)  
985-359-4300 (office)  
985-359-4303 (fax)



Joe Accardo  
Executive Director

### **LED**

Gonzales  
Weekly Citizen

*LED Highlights Economic Momentum for Louisiana in 2014 - State marks record employment along with new projects that will result in more than 25,000 new jobs and more than \$16 billion in new capital investment*

The Louisiana Economic Development released a report with selected economic highlights for calendar year 2014.

LED Secretary Stephen Moret issued the following statement on Louisiana's economic performance over the past seven years, including 2014:

“Since Gov. Bobby Jindal took office in early 2008, Louisiana's economy has outperformed the South and U.S. For example, Louisiana has added more than 82,000 private-sector jobs since January 2008, for a private-sector job growth rate of 5.2 percent – nearly triple that of the U.S. (1.8 percent). That growth rate ranks our state No. 5 in the nation and No. 2 in the South.

“With a diverse array of new project announcements and significant forward progress on previously announced projects (e.g., Benteler Steel/Tube at the Port of Caddo-Bossier, CenturyLink in Monroe, Cool Planet Energy Systems in Alexandria, Sasol in Calcasieu Parish, Bell Helicopter in Lafayette, IBM in Baton Rouge, Edison Chouest Offshore in Terrebonne Parish, and GE Capital in New Orleans), 2014 was a very encouraging year for the Louisiana economy.

“A variety of publications highlighted Louisiana’s economic development progress in 2014 with record rankings. Louisiana entered DCI’s state business climate Top 10 at No. 10, a gain of 20 spots since 2011. Chief Executive magazine reported that CEOs nationwide ranked Louisiana as the most-improved state for business over the past four years, with Louisiana improving 31 spots since 2010 to now rank No. 9. Area Development magazine ranked Louisiana No. 6 among the Top States for Doing Business, while Site Selection magazine ranked Louisiana No. 2 in its business climate report. Business Facilities ranked Louisiana No. 1 for the Best Business Climate in America, as well as No. 1 in the U.S. for state workforce development programs, highlighting LED FastStart® as the nation’s top program for the fifth consecutive year.

“In every national business climate ranking, Louisiana stands higher today than it ever did prior to 2008. Prior to 2008, Louisiana had never placed in the Top 10 of any national ranking of state business climates.

Louisiana announced dozens of company expansions or relocations in 2014, launching projects that will result in more than 25,000 new jobs and more than \$16 billion in new capital investment, along with hundreds of millions in new sales for small businesses across Louisiana. “Noteworthy examples include CSC’s 800-job integrated technology center in Bossier City; a 90-job corporate headquarters expansion of Crest Industries in Pineville; CGI’s 400-job technology center at the University of Louisiana at Lafayette Research Park; Yuhuang Chemical’s \$1.85 billion methanol project in St. James Parish; and the Chiquita Brands container shipping project and the International Shipholding corporate headquarters relocation in New Orleans.

“In 2015, Louisiana’s economy will experience significant job growth from projects announced over the past few years that are still ramping up. The fastest growing industry sector in Louisiana will again be software development and digital interactive media. Business retention, small business development, recruitment of new growth industries, customized workforce solutions, attraction of foreign direct investment (FDI), and cultivation of attractive development sites will remain top priorities for LED in 2015, as our agency works to strengthen Louisiana’s

position as America’s new frontier for business opportunity.”

## Corporate Member News

### **Port Fourchon**

Rick Jervis, USA TODAY -  
January 7, 2015



### ***Despite Plunging Oil Prices, Gulf on Brink of Boom***

Whoever is warning that slumping crude prices will curb oil production hasn't told the tenants of this bustling oil port.

Cranes line two enormous slips, expanding capacity and building more facilities. Louisiana-based Bollinger Shipyards is constructing four massive dry docks able to service 300-plus-foot vessels. Workers drive pilings into the ground for what will be the expanded site of Schlumberger, an oil-and-gas technology supplier.

All this activity will soon cater to huge floating facilities in the deepest waters of the Gulf of Mexico as they drill for and produce crude and other products.

"It's an unprecedented time," Port Director Chett Chiasson said recently as he drove past the construction. "This is the busiest it's ever been."



Even as crude's rampant price plunge rattles the industry, the Gulf of Mexico is on the brink of an unprecedented oil boom. Nearly five years after the Deepwater Horizon disaster briefly paralyzed gulf drilling, analysts predict deepwater oil production is headed into one of the biggest growth spurts in history. Production is likely to reach a peak of 1.5 million barrels of crude a day by 2016, surpassing the previous record set in 2009.

In 2015, production will jump 21% from 2014 levels and grow even more in 2016 – adding to America's already bulging oil production, said Imran Khan, a deepwater Gulf of Mexico analyst at energy consultants Wood Mackenzie.

The number of permits for deepwater drilling increased from 14 in 2010 and 274 in 2011 to 603 in 2014, according to the Bureau of Safety and Environmental Enforcement, which oversees the drilling.

All this while crude prices continue to free-fall as global supply outstrips demand. Western Texas Intermediate, a major benchmark, dropped to \$48 a barrel in trading Tuesday, a 50% drop from last summer and its lowest mark in five years. The plunge in prices is good news for consumers – who enjoy an average of \$2.20 a gallon of regular gas in the USA – but it weighs heavily on markets and some energy stocks. Monday, the Dow Jones industrial average took a 331-point plunge, the blue-chip stock gauge's worst one-day decline in three months.

Some Texas shale producers have announced they're scaling back operations, and energy giant BP plans to accelerate job cuts.

Unlike shale production in places such as South Texas and North Dakota, which rely heavily on steady crude prices to finance activity, deepwater drilling and production are long-term, multimillion-dollar projects that take several years to come online and aren't as affected by fluctuating markets, Khan said.

"There's no stopping those," Khan said of the deepwater projects. "Once you start spending all that money, it's hard to stop in the middle. At the center of the deepwater surge is Chevron's \$7.5 billion production platform – the largest of its kind in the Gulf of Mexico – which started harvesting oil this month from the Jack/St. Malo fields about 280 miles south of New Orleans in 7,000 feet of water. The platform has the capacity to produce 170,000 barrels of crude and 42.5 million cubic feet of natural gas each day and be operable for the next 30 years.

"For the deepwater business, you really have to take a long-term view," said Steve Thurston, vice president for deepwater exploration and projects. "Our investments occur over multiple decades."

The renewed Gulf activity has sparked questions as to whether the industry is any safer after the Deepwater Horizon disaster in 2010. In that incident, a drilling rig leased by BP exploded, killing 11 workers and unleashing millions of barrels of crude into the Gulf. It was the worst

marine disaster in U.S. history and triggered ecological and economic effects still felt today. The event led to a temporary moratorium on Gulf drilling and a slew of regulatory requirements.

For starters, the federal government requires energy companies operating in the Gulf to show they have the capacity to plug deepwater spills. Oil companies hire marine spill specialists skilled in capping seafloor oil gushers, such as the one that took 87 days to plug during the Deepwater Horizon incident.

The number of inspectors regulating wells in the Gulf has climbed from 53 before the Deepwater Horizon incident to 99 today, according to the Bureau of Safety and Environmental Enforcement.

Those inspectors look after more than 2,400 production platforms, drilling rigs and other facilities in the Gulf – ratios that feel woefully uneven to environmentalists.

"They've taken some steps," said Athan Manuel, the Sierra Club's offshore drilling expert. "But unless they hire enough inspectors to go out and make inspections, you could see a repeat of the Deepwater Horizon."

Still, deepwater drilling continues.

At Port Fourchon, which services 90% of the rigs operating in the Gulf of Mexico, officials have seen the port's revenue grow exponentially the past few years. In 2010, when the Gulf was crippled by the Deepwater Horizon spill, the port lost \$3 million. This year, it made \$24 million, Chiasson said. "The sheer amount of investment that has taken place the last few years – and what's planned for 2015 and 2016 – is really unbelievable," he said.

One of the port's tenants is LLOG, a Louisiana-based oil-and-gas producer that focuses on deepwater drilling. In the coming months, it will bring online a \$2 billion project that will harvest 15 deepwater wells with the capacity of producing 80,000 barrels a day, said Rick Fowler, vice president of deepwater projects.

Investment on the project was sizable, but its "break-even point" – the cost crude would have to reach before the company scales back production – is low, less than \$20 a barrel, Fowler said. More than 95% of the company's upcoming projects are in deepwater, he said.



"We continue to get better at exploring for oil and gas," Fowler said. "That trend will continue."

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*Port of New Orleans*



***Port Names Brandy D. Christian New  
Chief Operating Officer - Current  
COO Patrick J. Gallwey to Retire in  
March After 34 Years***

Brandy D. Christian has been named the new Chief Operating Officer of the Port of New Orleans by President and CEO Gary LaGrange, succeeding Patrick J. Gallwey, who will retire March 1 after 34 years with the Port. Christian comes to the Port after 14 years with the Port of San Diego serving for the past five years as vice president, strategy and business development.



During her tenure with California's fourth largest cargo port, Christian was the driving force behind securing major accounts for the cruise and cargo business lines at the Port. She was also instrumental in significantly improving operational processes and reducing costs for the public agency.

"Christian brings a wealth of experience to New Orleans," LaGrange said. "Her background in strategic initiatives, civic relations, and cruise and cargo development will serve the Port well for many years to come. We welcome her aboard."

The Board conducted a national search for its new COO and Christian rose to the top, LaGrange said.

In San Diego, Christian provided the executive team and the Board of Port Commissioners with organizational-wide strategic guidance and also led a wide variety of business development initiatives related to cruise development,

maritime import and export opportunities and industrial leases. She also oversaw several departments including maritime, government and civic relations, and marketing and communications. She began her career with the Port of San Diego in 2000 as the public/tenant liaison for the executive offices and was promoted in 2002 to Director of Strategic Management Services before becoming vice president in 2009.

Prior to joining the Port of San Diego, Christian worked with KPMG Consulting, the Los Angeles Area Chamber of Commerce and Fleishman-Hilliard Inc. Christian earned a bachelor's degree in political science from the University of Arizona and a master's degree in public administration from the University of Southern California. She is a Certified Port Executive and Commercial Investment Manager candidate.

Christian's tenure with the Port of New Orleans will begin January 26 and will include a transition period with Mr. Gallwey, who will retire after serving 34 years in various roles at the Port of New Orleans.

"Pat's contributions to the Port cannot be overstated," said Gary LaGrange, Port President and CEO. "His steadfast leadership and institutional knowledge helped guide the Port to record results. He has been a staunch supporter of the entire maritime community and economic development initiatives in the New Orleans area and throughout Louisiana for many years. He will be sorely missed by all who have had the privilege of working with him."

Gallwey's distinguished career with the Port began in 1980 when he established the Industrial Development Department. He served in leadership positions in marketing and business development, planning and engineering, and executive management. He oversaw the planning of the Port's terminal expansion projects beginning in 1990 resulting in the construction of container terminals on the Port's riverfront, planning for the Tchoupitoulas Corridor, downtown riverfront and cruise terminals and various transportation projects. He has served as Chief Operating Officer for eight years where he oversees the Port's day-to-day activities including administering and managing the operating budgets, which has resulted in consistent positive net income. He represents the

Port on the Transportation Policy Committee of the Regional Planning Commission, served on the committee tasked to update Louisiana's Coastal Restoration Master Plan, served as president of the Louisiana Industrial Development Executives Association and served as president of the Ports Association of Louisiana from 2012-2014.

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***Port of New Orleans Cruise Passenger Total Tops 1 Million Mark, Sets New Record Industry Supports 8,129 Jobs, Spends \$406 Million in Louisiana***

Port of New Orleans cruise terminals handled more than 1 million cruise passengers in 2014 for the first time in its history. For the 12 months, embarkations and disembarkations totaled 1,014,325, an increase of more than 2.6 percent over 2013, a fourth straight record year for the Port.



The 2,340-passenger Norwegian Dawn berthed at the Port of New Orleans' Julia Street Cruise Terminal in November 2014.

“This is a great milestone for the Port of New Orleans,” said Port President and CEO Gary LaGrange. “The total represents a 180 percent increase in cruise passengers since 2001 – the year the Port began in earnest marketing itself as a premier cruise destination.”

Cruise Lines International Association ranked the Port the sixth-largest cruise port in the United States with direct industry expenditures in Louisiana totaling \$406 million, supporting 8,129 jobs and accounting for \$323 million in total income.

“We market cruising from the Port as two vacations in one,” LaGrange said. “New Orleans is a world-class destination City. Cruise passenger on average stay two nights either

before or after their cruise – it’s like an additional port of call.”

Port of New Orleans studies determined more than 80 percent of cruise passengers are from out of state and 60 percent spend an average of two nights in New Orleans. In addition, those passengers and shipboard crew spend about \$75 million in New Orleans. Port cruise terminals currently host four home-ported cruise ships. Carnival Cruise Lines offers a wide variety of itineraries with the 2,052-passenger *Carnival Elation* sailing year-round four- and five-day itineraries from New Orleans and the 3,646-passenger *Carnival Dream* sailing year-round seven-day itineraries to both eastern and western Caribbean destinations. In addition, Norwegian Cruise Line’s 2,340-passenger *Norwegian Dawn* sails seasonal seven-day cruises from November through April and Royal Caribbean’s 2,476-passenger *Serenade of the Seas* sails weekly through April, as well.

New Orleans features a wide array of coastal and River cruises throughout the year. American Cruise Lines sails its sternwheeler *Queen of the Mississippi* and American Queen Steamboat Co. sails the *American Queen* from New Orleans. Blount Small Ship Adventures sails inland itineraries aboard the *Grand Caribe* and Travel Dynamics International sails its *Yorktown* coastal ship from the Port.

Cruise Critic, a leading cruise reviews and information web site, named the Port of New Orleans it’s “Best North American Homeport” as part of its 2014 U.S. Editors’ Picks. Cruise Critic hosts the largest cruise community in the world with more than 3 million people ranging from avid cruise fans to first-time cruisers. Leading cruise publication Porthole Cruise Magazine also named the Port of New Orleans “Friendliest Homeport” for the second year in a row in its 2014 Editor-In-Chief Awards.

To learn more about cruising from New Orleans, visit [www.portno.com](http://www.portno.com)

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## Port of Vinton

### *Port of Vinton Names Hohensee Port Director*

The Port of Vinton recently announced that the facility's board of directors has contracted with LEH Communications, LLC for port director services.

As a result, Lynn E. Hohensee, LEH Communications chief executive officer, will serve as the facility's new port director, effective Jan. 1, 2015.



"The Port of Vinton has been a viable part of the parish's maritime community infrastructure for many years," CHARLES BROUSSARD, president of the Port of Vinton board of directors, said in a news release. "We are now on the threshold of tremendous regional growth opportunity, and the creation of the port director position is a critical step in our expansion plan. We know that Lynn's experience in marine port management, economic development, marketing communications and community relations compliments our port's growth strategy as a progressive shallow-water port facility."

Hohensee, a 15-year resident of Calcasieu Parish, owns and operates LEH Communications, LLC, a communications consulting company he created in 2005 to specialize in marketing communications and public relations support for private business, government entities and non-profit organizations. LEH Communications will continue to provide similar services to the West Calcasieu Port, where he has served as port director since June 2006.

"I'm very excited to join the Port of Vinton as its port director," Hohensee said in a news release. "Southwest Louisiana is well on its way to unprecedented economic growth and development, and the Port of Vinton is well positioned in the emerging maritime industry of the parish to grow with the region. The port already benefits from the sound leadership of a solid board of directors. Now, the port is in a position to better serve its existing tenants of today – and the new clients of tomorrow."

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## Port of Alexandria



### *Cooper Hired as Alexandria Regional Port Executive Director*

The Board of Commissioners of the Alexandria Regional Authority unanimously voted on Monday to hire Alexandria-native Blake Cooper as its new executive director.

Bryon Salazar, President of the Commission, explained, "We feel confident that Blake has the capacity to lead the port and, ultimately, make us a better port. With the ideal mix of vision and execution, Blake will be laser-focused on growth in our business model."



Selection committee members said Cooper stood out with a variety of business development, marketing, and government relations experiences that will enable him to lead the effort to drive business through the Port. Mr. Cooper is a graduate of Louisiana College and LSU with an MPA and has currently been employed by one of the South's largest integrated wood-product manufacturers.

Commenting on the confirmation, Cooper stated, "This is an exciting time as Central Louisiana is poised for great economic expansion and the Port is uniquely positioned to react to those demands. I view myself as a strategic-builder, and I look forward to beginning the first stages of preparing for long-term growth." Cooper continued, "I want to become deeply engaged in new business development and retention and expansion of our current customers. Ultimately, the success of the region is dependent upon multiple groups working together for the common good. I look forward to building upon those strategic partnerships."

Created in 1990, the Alexandria Regional Port is located off US I-49 at mile 90 on the Red River. The Port provides immediate access to Union Pacific and KCS Railroads, Interstate 49, U.S. Highways 71, 165, 167 and Louisiana Highways

1 and 28. Alexandria International Airport is located approximately 3 miles away. Primary cargoes include inbound and outboard fertilizer, military cargo, aggregates, citric acid, equipment, and bio-fuels.

## Legal News



### *Investigation of Marine Casualties Rights of Parties in Interest*

When a marine casualty occurs the U.S. Coast Guard is empowered to conduct an investigation to determine “as closely as possible” the cause of the casualty, cause of any death, whether an act of misconduct, incompetence, negligence, unskillfulness, or willful violation of law committed by any licensed or certified individual or member of the Coast Guard contributed to the cause of the casualty, whether there is evidence that an act subjecting the offender to a civil or criminal penalty has been committed and whether there is a need for new laws or regulations, or amendment or appeal of existing laws or regulations. 46 U.S.C. 6301.

But what about the rights of the parties to the casualty? What is the extent of their participation in the investigation? 46 U.S.C. 6303 provides that in such an investigation parties in interest (PII) shall be allowed to be represented by counsel, cross-examine and call witnesses. PII's include an owner, any holder of a license or certificate of registry, holder of a merchant mariner's document, any person whose conduct is under investigation, and any other party in interest. This has been expanded to include any person who the USCG finds to have a “direct interest” into the investigation. However, in practice these guidelines do not provide much relief to the owner of a subject vessel when on-the-scene interviews and inspections by the Coast Guard are underway in the immediate wake of a significant marine casualty. The degree that the PII could actively participate and be privy to interviews, statements and other discovered evidence was largely dependent upon the discretion of the investigating officers.

In 2010, in response to industry calls for more active participation, inclusion and transparency, the Coast Guard issued CG-545 Policy Letter 3-10. In it the Coast Guard made clear that PII's have the right to participate in “all levels of investigation”, not just formal hearings. This is important. The PII has the right to *immediate* participation. This includes the right to be present during interviews of all witnesses (not just those of its own crew or employees), to be present during on-scene inspections, to present evidence to the Coast Guard and request that particular witnesses be interviewed.

To be clear, however, the Policy Letter mandates that the Marine Board of Investigation or Investigating Officer (IO) are in charge of all aspects of the investigation. In order for an interested party to participate it must be recognized by the Board or IO as a PII. The IO has the prerogative to formally designate PII's during the course of the investigation. But the party that believes it is a stakeholder in the casualty is best served by making formal application with the IO to be designated as a PII. When application is made the IO must give it due consideration. If the applicant meets the criteria found in Part 6303 and Part 2 of the Policy Letter it “shall” be given PII status. The request for PII recognition may be made verbally, but needs to be followed in writing within 24 hours. The IO's initial designation may be verbal, but needs to be made in writing by the IO within 5 business days of receipt of the written request for PII designation.

The stakeholder needs to know that the IO is not required to designate PII's. It is incumbent on the stakeholder to act early and promptly to contact the IO and make clear that it seeks PII status. The IO is required to notify the PII when witnesses will be interviewed, but is not obligated to accommodate the schedule of the PII. If the PII provides a witness the IO shall determine if the witness is relevant to the investigation. If the IO finds that the witness is not relevant, the witness will not be interviewed.

During interviews the IO is in charge. When the IO has completed his portion of the interview, the PII then may ask questions. The IO is empowered to determine if the questions the PII asks are relevant. If he finds that a question is not relevant it will not be allowed and the witness informed not to respond. Part 4e of the Letter provides that the rights of the PII apply



only to conducting witness interviews. The IO “may” allow the PII to review any or all evidence gathered during the fact-finding portion of the investigation. The PII is not allowed to have its own copies (in any form) of any documentation (*read*: statements) with the exception of the names and work information of the witnesses. Additionally the IO “may” allow the PII to review the findings of fact portion of the report of investigation, but the PII is prohibited from being involved in the development or review of analysis, conclusions or recommendations for a marine casualty investigation. As is obvious, while the Policy Letter does provide for active PII participation, it does leave to the IO significant discretion what witness or evidence he will deem worthy of consideration. Irrespective of this, the PII should take every opportunity to submit witnesses and evidence it believes is favorable to its interests.

While the language in Part 4c restricts access by the PII to third-party documents such as log books, photos, witness statements and other evidence and what witnesses will be deemed relevant, in practice I have found that the on-site Coast Guard investigators more times than not want to work with industry and will share documents, provide access to evidence that is developed, and will accommodate the work schedules of witnesses and company representatives or PIIs.



BY WILTON E. BLAND, PARTNER

MOULEDOUX, BLAND, LEGRAND & BRACKETT.

## World Trade Center



WORLD TRADE CENTER  
OF NEW ORLEANS

### *U.S.-Cuba Deal a Cause for Optimism for Louisiana Businesses*

By Jed Lipinski, NOLA.com | The Times-Picayune  
December 17, 2014

The Obama administration's decision to restore diplomatic relations between the U.S. and Cuba

and begin a serious debate about lifting the trade embargo could lead to positive developments for Louisiana's economy, according to local business leaders.

Prior to the creation of the trade embargo in 1962, New Orleans was the U.S.'s largest trading partner with the communist nation. **Port of New Orleans** President and CEO Gary LaGrange suggested that tourism and trade between the city and Cuba could substantially improve if talks proceed.

"Should Cuba open its doors to us, cruise ships could start heading to Cuba and use New Orleans as a homeport," LaGrange said. A Cuban port of call, he added, would make seven-day cruises to Key West, Nassau and Havana an obvious draw.

In 2005, then-Gov. Kathleen Blanco visited Havana with LaGrange and a few dozen business representatives to establish a \$15-million deal that boosted agricultural exports from Louisiana to Cuba. This was possible under a 2001 amendment to the trade embargo that let U.S. companies engage in cash-only sales of food and agricultural products. Today, Louisiana is the top state of origination for Cuban-bound exports, representing nearly 30 percent of the export-market share, according to the World Trade Center of New Orleans. The Port of New Orleans now exports large quantities of poultry to Cuba, and the Port of Lake Charles exports rice.

In his speech, President Obama said the U.S. will ease restrictions on travel to Cuba as part of the deal. That led Winston Riddick, a law professor at Southern University in Baton Rouge and an expert on economic development in Latin America, to say that chartered flights between New Orleans and Cuba might soon be a reality. "If you make Havana an American tourist destination, people from around the country would start flying into Louisiana as a main departure point," Riddick said. "I know Tampa is thinking the same thing, since Miami is so crowded and expensive to fly out of."

Michael Olivier, CEO of the Louisiana Committee of 100, said that while U.S. exports have "not been significant to Cuba" since the embargo, the new regulations "will mean more export opportunities and more business and jobs for Americans."

Others were less sanguine about the new resolution. George Fowler, a New Orleans lawyer and vice chairman of the Cuban-American National Foundation, called the arrangement "meaningless for Louisiana and the United States."

"We might get some cigars out of the deal, but that's about it," Fowler said, referring to a new policy that allows American travelers to import up to \$100 in tobacco and alcohol products. The Cuban military controls a large percentage of tourism companies on the island. As such, Fowler said that encouraging American tourists to visit Cuba would only strengthen Castro's repressive regime.

Should Wednesday's announcement lead to the removal of the U.S.-Cuba trade embargo, however, all bets are off. Some estimates show that lifting the embargo would mean a trade opportunity of \$21 billion in the first five years. For LaGrange, that day cannot come soon enough. "That's when we'll be singing, 'Happy days are here again,'" he said.

## MARK YOUR CALENDARS

February 5, 2015 PAL Monthly Meeting, 10am, Baton Rouge, Richmond Suites.

March 5, 2015 PAL Monthly Meeting, 10am, Baton Rouge, Richmond Suites

March 25, 26, 27, 2015, PAL Annual Conference, Omni Royal Orleans, New Orleans, LA

## Welcome New Associate Members

PAL welcomes one new associate member.

**Waskey Precast Services** is a company specializing in specialty marine fabrication and concrete repair. They are located in Baton Rouge and will be represented by Mr. Kevin Babin.

