

NEWS FROM THE DOCKS



Louisiana Ports Deliver

ASSOCIATION OF LOUISIANA

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Message from the PAL Office

The 28th Annual Conference is getting closer and closer. I hope you have made your room reservations! It is not too late to register for the conference. Follow this link and it will take you to the registration information.

<http://www.portsoflouisiana.org>

The agenda is posted and you can see all of the activities that are planned. Shreveport is a great venue and the Port of Shreveport-Bossier has new facilities that we are anxious to visit. Most of all, our conference provides a wonderful opportunity to see old friends, make new ones and reach out to all of Louisiana's maritime community. We hope to see you there!

PAL is collecting information to update our directory. That publication is a useful tool, describing all of the services and facilities available at the port complexes throughout the state. It was last updated in 2009. We hope to have the new document available in about two months.

Legislative Update

PAL continues to monitor the issue being caused by the lack of funding in the US Army Corps of Engineer's budget to dredge the Mississippi River. Efforts are being made to allow the use of the Harbor Maintenance Trust Fund to address this problem. DOTD Secretary Sherri LeBas has written several letters to the LA Congressional delegation expressing the problem and its impact on navigation and trade. Unfortunately resolution to the problem rests

with Congress and about all we can do is continue to express our concern. PAL continues to meet with and support the Big River Coalition in their efforts to address this problem. Follow this link to access the White Paper they prepared concerning Mississippi River Dredging.

<http://www.z2systems.com/neon/resource/irpt/Fi/le/Miss%20River%20white%20paper.pdf>

PAL and LED are working to implement the new Infrastructure Tax Credit Program. LED plans to hold a seminar for ports and their staff at the Port of New Orleans toward the end of the month. That should answer a lot of questions for those of you who are interested in participating. We'll keep you posted.

It is also noteworthy to mention the upcoming special session on reapportionment. That session will begin on March 20th and go through April 13th. The regular session will begin April 25th.

Corporate Member News

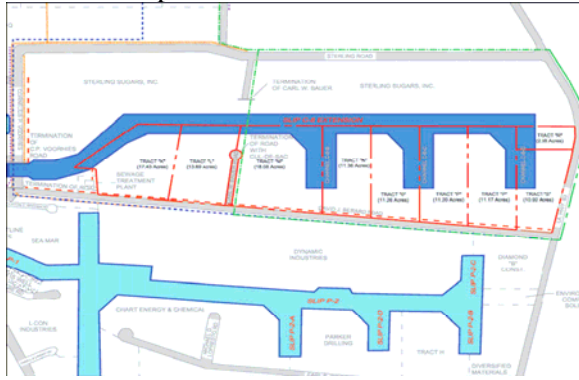
Port of Iberia

Port Expansion Continues

The Port of Iberia recently acquired 108 acres with plans for a \$8.2 million industrial development to create additional waterfront acreage. Executive Director Roy Pontiff said the land, located in the southeast quadrant of the Port bordering La. Hwy. 83, was purchased from Sterling Sugars in January of this year.

Existing Slip C8 will be expanded eastward, and three additional side slips will be created. Nine separate waterfront tracts will be developed, ranging in size from 3 to 18 acres. The new slip will be 200 feet wide, with a depth of 13 feet.

Road and utility improvements will be included in the development.



“I applaud the commission for their long-term vision and investment during these uncertain times. As in the past, I’m sure this decision will prove to be a stimulus for additional tenant growth at the Port,” Pontiff said. “The first expansion (Phase I) of 170 acres is completely leased out, and we currently have no available waterfront property. But we continue to receive inquiries from companies seeking to expand or relocate. This expansion will allow us to continue to market the Port and meet the needs of growing businesses.” Construction on the development is anticipated to begin in the next 12 to 18 months

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David Selected as Commission President

Danny J. David, Sr. was recently elected president of the Port of Iberia Board of Commissioners for 2011. David, 61, began serving on the commission in 2008. He is one of three commissioners appointed to serve by the Iberia Parish Council. The commission has a total of seven members.



The stalled Acadiana Gulf of Mexico Access Channel (AGMAC) Project, as well as the

aftereffects of the deepwater drilling moratorium, are two of his main concerns. AGMAC is a proposed 16-foot deep-water channel from the Port of Iberia to the Gulf of Mexico. The 200-foot top-width channel, which would be dredged to a bottom width of 150 feet when completed, would provide direct, unobstructed overhead clearance to the open waters of the Gulf.

“We need to continue our efforts to try to advance the AGMAC Project, which would have a huge impact if we’re successful,” David said. “Right now we need to find a funding source. We have the continued support of our Congressional delegation, and we’re working with engineers to look at a different, less expensive way to get the dredging done.”

The lingering effects of the recent deepwater drilling moratorium, although lifted, also remain a concern. “Right now, the big challenge is to get deepwater drilling started up again so the companies at the Port can get back up to where they were, and increase the number of jobs and opportunities out there,” he said. “We understand that there will be changes in the regulations involving deep water drilling: we just don’t know yet how much these regulations will impact the cost of drilling to the companies.”

Despite the uncertain economic times, the Port is positioned well for additional growth, with the recent purchase of 108 acres bordering La. Hwy. 83. “Once that expansion is developed, it will open up quite a few additional properties for lease,” David said. “I don’t know if everyone realizes that the Port of Iberia is not a tax-funded entity. Everything we manage to do is based on revenue generated by the leasing of properties and infrastructure at the Port. We are self-sustaining, and the only way we can continue is if the companies at the Port prosper.”

Roy Pontiff, executive director of the Port of Iberia, said he is looking forward to working with David this year. “In his short time on the commission, Danny has developed a unique understanding of our mission, and has brought to the table a common sense business approach that keeps us moving in the right direction,” Pontiff said. “I welcome his leadership abilities and dedication during these challenging times.” David, the vice president of David Funeral Home, has been married to the

former Mavis Dempsey for 41 years, and they have two children.

**Port of New Orleans
Wharf Building to Gain Tenant**

Times Picayune
2/25/11
Richard Thompson

A New Orleans-based warehousing and logistics company gained approval from the Port of New Orleans' Dock Board to occupy a 150,000-square-foot shed near the Gov. Nicholls Street Wharf with the option to eventually lease it.

The agreement means the company, TCI Packaging, will have a hold on the space for the next six months, when port President and CEO Gary LaGrange can negotiate lease terms for the site, a five-year deal with rent set for at least \$400,000 a year. The finalized terms of the agreement would need to go back before Dock Board members for approval.

All seven members of the Dock Board voted in favor of the proposal at the meeting.

Gary LaGrange also announced the port is in negotiations with poultry exporter New Orleans Cold Storage over \$2.8 million in changes made to construction plans for a new dockside refrigerated terminal at the Henry Clay Avenue Wharf.

Plans for the \$34.8 million facility include construction of a 140,000-square-foot warehouse able to store at least 35 million pounds of product, according to the port. Reviews for the design-build project, which had originally been expected to be completed in August, are about 90 percent finished, port officials said.

The Dock Board, at a special meeting earlier this month, approved proceeding with the changes rather than delaying the work as the negotiations are resolved, a move aimed at avoiding construction delays that could add costs of about \$9,000 a day. A set price for construction had been established with the contractors, the McDonnell Group, LLC, of Metairie and Primus Builders Inc. of Atlanta, but the additional changes to the design bumped up the price, he said.

"When you get a design-build, you're pretty much locked in, you've got to roll and you can't hold that contractor up," LaGrange said, noting that this was the port's first design-build project. "It's just that simple. If we do, it's on us."

Legal News



OSHA Workplace Noise Plan Suspended

In an apparent response to an Executive Order signed by President Obama designed to improve regulation and regulatory review of rules that potentially hamper economic growth and job creation, the Occupational Safety and Health Administration (OSHA) has announced that it is withdrawing its proposed interpretation of the phrase "feasible administrative or engineering controls" as it is used in the agency's General Industry and Construction Occupational Noise Exposure Standards. (29 CFR 1926.52(b)).

The standards require employers to use administrative or engineering controls instead of personal protective equipment to reduce noise exposure that is above the acceptable level when such controls are feasible. The proposed interpretation would have clarified that "feasibility" in this instance means "capable of being done" or "achievable."

When announced in the December 14, 2010, Federal Register, the proposal, would have toughened employers' requirements to protect workers' hearing in loud workplaces. In response, the National Association of Manufacturers (NAM) complained that the proposal would have compelled employers to make "sweeping changes to their workplaces," including new workplace practices, procedures and work schedules; installing new equipment to contain sound; and retrofitting machines and production systems with noise dampening controls." NAM advocated that this proposal would require these changes even if effective mechanisms are already in place to protect employees from loud noises. Consequently, manufacturers would be forced "to direct resources from job creating, investment and expansion."

In its announcement, OSHA's assistant secretary of labor, David Michaels, said;

Hearing loss caused by excessive noise levels remains a serious occupational health problem in this country However, it is clear from the concerns raised about this proposal that addressing this problem requires much more public outreach and many more resources than we had originally anticipated. We are sensitive to the possible costs associated with improving worker protection and have decided to suspend work on this proposed modification while we study other approaches to abating workplace noise hazards.

- Implement annual hearing tests for employees exposed to noise exceeding the OSHA action levels;
- Use annual employee hearing conservation training as an opportunity to educate employees about the potential risks associated with recreational noise;
- When purchasing new equipment, carefully evaluate noise control features; and
- Provide a variety of hearing protection devices and train employees on proper fit.

NAM, in response, commended the decision and OSHA's recognition of industry's concern regarding the economic impact of these expensive and burdensome noise control requirements and stated, "manufacturers are committed to protecting their employees, but there is no evidence that this proposal would have enhanced workplace safety. OSHA plans to review comments which were submitted, hold as stakeholder meeting on preventing occupational hearing loss to elicit views of employers, workers, and noise control and public health professionals and "initiate more robust outreach and compliance assistance efforts."

In a paper delivered to The American Society of Safety Engineers in 2009, Louise Vallee, loss control specialist with Chubb & Son, quoting OSHA, data noted that approximately thirty million American employees are exposed to excessive workplace noise. Ms. Vallee said, "the rule of thumb is that if the environment requires somebody to "speak up" in order to be heard, there is probably a need to conduct noise monitoring to ensure compliance with OSHA standards."

Vallee offered the following tips to employers to help reduce occupational hearing loss and related workers' compensation claims:

- Conduct baseline audiogram hearing tests for new employees to detect pre-existing hearing loss;

This development is of interest to the marine industry.

Since 1983, when OSHA and the U.S. Coast Guard entered into their "Memorandum of Understanding," OSHA's workplace regulations have been applied to uninspected vessels. Most commercial towing vessels plying U.S. waters are uninspected. Engine rooms on these vessels are noisy places. If required to retrofit engines and generators, the usual source of damaging levels of noise, vessel owners will be forced to expend considerable sums, not a welcome development in the current economic climate. From a liability perspective, such regulations would also be problematic for vessel owners. The law provides that violation of a government regulation (such as OSHA regulations) designed to provide for the safety of employees can result in near strict liability on the part of the employer should the violation result in injury. Thus, should stricter OSHA sound protection regulations take affect the vessel owner will face not only increased costs to meet compliance, but also the threat of increased litigation and its costs. More strict regulations would also have the effect of increasing the cost of insurance. Hull coverage, to be effective, requires a vessel to be seaworthy when the insurance is placed and/or at the inception of a voyage. Insurers may require that before P&I coverage is placed, that the engine room be certified compliant. If more strict noise abatement measures are mandated and engine rooms are not retrofitted to meet compliance, the vessel may not be qualified as seaworthy. In such a case, the

vessel owner is at risk for its insurance coverage to be voided should a claim be made. The progress of this amendment warrants close monitoring.



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

Drilling Update

AMERICAN PRESS EDITORIAL

2/21/11

Spill plan in place; let drilling resume

Last week's announcement of a system that can stop an underwater oil spill in short order should be welcomed news for the oil and gas drilling industry in Louisiana.

Five oil companies — Exxon, Chevron, ConocoPhillips, Shell and BP — have put up \$1 billion to form a company that can quickly respond to an oil spill in water up to 10,000 feet.

The Marine Well Containment Co. is a reaction to last April's Deepwater Horizon drilling well disaster that spilled more than 4 million barrels of oil into the Gulf of Mexico and took 85 days to shut off. The companies involved hope it will also allay fears in the Obama administration and reopen permitting for deepwater wells in the Gulf.

Earlier this month, Bureau of Ocean Energy Management Regulation and Enforcement Director Michael Bromwich said that he wouldn't open the Gulf to deepwater drilling until companies showed they had "access to and the ability to deploy" equipment that can contain another spill.

According to the MWCC, the system can be fully assembled within two to three weeks of a blowout and can handle blowouts as deep as 8,000 feet underwater. By next year, the Containment Company expects to be able to

plug a well more than 10,000 feet below the surface.

"The completion of the interim containment system is great news for the people of Louisiana, and for American energy production," said Seventh District Congressman Charles Boustany Jr., R-La. "With every advancement in the permitting process, we are one step closer to getting Louisiana workers back to their jobs and revitalizing our economy that was damaged first by the moratorium and now by the defacto moratorium on permitting."

The new company and its new technology are testimony to American ingenuity. If history is any indication, it can and will succeed. In the wake of the Exxon Valdez oil spill in Prince William Sound Alaska, the nonprofit Marine Spill Response Corporation was formed in 1990. Congress mandated that companies that transport oil and oil products in U.S. coastal waters ensure by contract the equipment necessary to respond to a worst-case spill.

Companies pay an annual membership fee to MSRC to fund its basic operations and are assessed additional fees to pay for any cleanup of a spill they may have be liable for.

MSRC assets are deployed along the East, Gulf and West coasts, in Hawaii and the Caribbean to offer quick cleanup capabilities for oil spills in coastal and shallow waters.

Two MSRC response vessels are docked near the Calcasieu Ship Channel south of Lake Charles, and MSRC once maintained an office in Lake Charles. The Calcasieu Ship Channel would also be an excellent home for the MWCC to store its equipment for a response we hope will never have to be implemented.

Regardless, the formation of the MWCC and its technology innovation should prompt the Obama administration to ease restrictions to revive drilling activity in the Gulf.

Welcome New Associate Member

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

G.E.C., Inc. is a consulting engineering and planning firm located in Baton Rouge. They will be represented by Mr. Shelton Perry.

LA Office of the Lieutenant Governor and they will be represented by Mr. Steve Windham.

Civil Design and Constructin is an engineering firm located in Port Allen. They will be represented by Ms. Cherry Talbert.

Kiewit Louisiana Co. is a construction company located in Metairie. They will be represented by Mr. Jim Poe.

MARK YOUR CALENDARS

March 23-25, 2011 – PAL Annual Conference, Sam's Town Casino, Shreveport, LA
<http://www.portsoflouisiana.org>

May 4-6, 2011, IRPT Annual Meeting, Pittsburgh, PA, Omni William Penn Hotel
<https://www.z2systems.com/np/clients/irpt/event.jsp?event=15>

May 3, 2011 PAL Monthly Meeting, 10 AM, Best Western Richmond Suites, Baton Rouge, LA

