

NEWS FROM THE DOCKS



Louisiana Ports Deliver

ASSOCIATION OF LOUISIANA

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Message from the PAL Office

As quickly as we complete one conference we start planning for the next. For those of you who want to start looking ahead, our conference in 2012 will be in Lake Charles. The Port of Lake Charles has already started working to make it a great success. The date has not yet been set but we will pass the word along as soon as it is arranged.

The rising Mississippi River has captured everyone's attention this month. The ports are taking measures to insure that trade will be minimally impacted. The Corps of Engineers will control much of that if they decide to close traffic on the River. We are just hoping that Louisiana's citizens will be able to weather yet another storm! Only time will tell...

This month PAL has focused on the legislature. There are several bills that are of interest to ports and we are doing our best to keep up with it all. Please let us know if you have particular interests or feel that we should be following particular bills.

Legislative Update

The legislative session began on April 25 and must end by June 23rd for a maximum of 45 legislative days. There were 590 House bills prefiled and 251 Senate bills prefiled. The following is a partial list of those which may be of interest to ports.

HB 34 Brossett—Provides relative to the creation of a statewide planning and mapping system for public buildings. (Judiciary)

HB 45 Henry—Barge line ad valorem tax credit against state income/franchise taxes phased in 4%/year for 10 years. (Ways & Means)

HB 135 Nowlin—Constitutional amendment to prohibit levy of new tax or fees upon transfer of immovable property after Nov 30, 2011. (W & M)(295 by Green).

HB 182 G. Jackson—extends Design/Build for certain public entities in areas affected by Katrina/Rita to 2015. (Transportation)

HB 192 White ---authorizes public entities to have the option to require that all bids be submitted electronically, and that all bid documents be posted on electronic web site. (Transportation)

HB 208 Jones--expands the territorial limits of Port of Morgan City to include the Wax Lake Outlet (aka as Calumet Cut). (Transportation)

HB 238 Lambert—transfers truck registration and other fees into Hwy Trust Fund. (Appropriations)

HB 239 & 242 Hines---Const'l Amendment and bill to create Fair Tax Plan. (W & M)

HB 250 Morris---restructures offices DOTD; creates assistant secretary for and creates Office of Multimodal Transportation. (Transportation)

HB 325 Montoucet---La. State Employees Retirement System, allows certain individuals to change retirement options. (Retirement)

HB 356 Brossett---provides for appointment and terms of Public Belt Railroad. (Transportation)

HB 363 Monica—provides for authority of the director of the Port of South La. relative to

contracting, professional services, salaries, expropriation. (Transportation)

HB 365 Howard and Downs---Revises requirements for public bid form and who shall submit other documentation and information after a public bid opening and when documentation shall be submitted. (Transportation)

HB 378 Ellington—Provides for progressive stage payments under public contracts within 30 days of due date and for reasonable attorney fees after 30 days. (Transportation)

HB 384 Pearson—Constitutional Amendment to provide for minimum of ten percent of nonrecurring revenue to be applied to unfunded accrued liability of retirement systems. (Appropriations) (HB 435)

HB 449 Abramson—Requires that discussion regarding the award of a contract be held in open meetings. (House and Gov. Affairs)

HB 453 Hines---Prohibits legislators and statewide elected officials from accepting food or drink from a lobbyist or person employing a lobbyist during a legislative session. (H & GA)

HB 479 Talbot—increases employee contributions to retirement systems. (Retirement)

HB 483 Downs—Constitutional Amendment to increase motor vehicle license tax on private automobiles to establish Transportation and Infrastructure Growth of Economy through Roads. (TIGER FUND) (W & M)

HB 493 Lorusso—Provides relative to procurement code of services of public entities not subject to state procurement code. (Appropriations)

HB 495 Pearson—Provides for changes in remitting payments on Unfunded Accrued Liability of retirement systems. (Retirement)_

HB 496 Barrow—Requires the disclosure of campaign contributions to statewide elected official by persons appointed by the governor pending confirmation to a board or commission. (H & GA)

HB 498 Templet—Requires an auditee to designate a person responsible for filing annual financial reports or submitting information to the legislative auditor; further requires legislative auditor to notify an entity that distributes funds to the auditee when the auditee fail to comply with the requirements of filing reports or submitting information to Legislative Auditor. (H & GA)

HB 501 Leger—amends and repeals certain provisions relative to the Associated Branch Pilots. (Commerce)

HB 538 Richard---Relative to public records availability. (H & GA)

HB 543 Leger—authorizes ports to use design-build method on certain construction projects. (Transportation)

H B 469 Arnold--- changes to Port of New Orleans Harbor Police retirement system. (Retirement) (HB 570- Brossett)

HB 571 Robideaux –changes to provisions of Act 992 of 2010 relative to retirement systems. (Retirement)

HB 573 Willmott---requires procurement officers to give preference to articles, materials and supplies manufactured in the United States. (Appropriations)

SB 5 Appel—allows changes of beneficiary for purposes of joint and survivor annuities . (Retirement)

SB 9 Gautreaux, B. allows for purchase of service credit for LASERS. (Retirement)

SB 54 Amadee---requires that in parishes of 21,000 to 22,200 private property transferred to a political subdivision to a commercial or industrial enterprise from being considered public property or exempt from ad valorem taxes unless after a public hearing, being approved by the public bodies levying over half of the millages. (Revenue and Fiscal Affairs)

SB 83—Donahue—provides for a “reverse auction” by “ electronic methods” by political subdivisions of supplies , materials, services, products, etc, if procurement officer deems it in best interest of entity. (Transportation)

SB 94 Nevers—requires use by contractor of public works materials produced, manufactured or fabricated in La. and available to contractor, if cost are equal or less. (Transportation)

SB 159 Appel---Extends the Ports of La. Investor tax credit from 2015 to 2017. (Revenue and Fiscal Affairs)

SB 166 Walsworth---provides for appoint membership on the Greater Ouachita Port Commission, removal, filling of vacancies. (Transportation)

SB 171 Chaisson—provides for deposits in Budget Stabilization Fund. (Finance)

SB 208 Perry—provides for attorney fees for unsuccessful or abandoned expropriation suits. (Judiciary A)

SB 213 Michot---establishes La. Enhanced Governmental Access Portal within the Div. of Adm. (Finance)

SB 233 Michot--- provides for establishment of La. Infrastructure Bank for financing eligible projects. (Finance)

SB 242 Appel—provides relative to change orders and splitting of profits, fees and commissions in public contracts (Transportation)

SB 250 Willard-Lewis—allows agencies to reject bids from entities convicted or found to have committed any unethical or discriminatory practice or conduct by a state or federal agency. (Transportation)

DOTD Update

DOTD presented the Port Construction and Development Priority Program's Recommended Construction Program for FY 2011-2012 to the Joint Legislative Committee on Transportation, Highways and Public Works on May 5th. The program contains nine continuing projects and three new projects. To fully fund the program would require approximately \$75 million in state funding. However, once constructed the projects are estimated to either retain or create 1981 full-time jobs.

At the present time the Capital Outlay Bill only provides a \$19.7 million dollars appropriation for the program.

Corporate Member News

Port of South Louisiana RREDI Hosts Resident Industry Appreciation Breakfast

On April 21, 2011, the River Region Economic Development Initiative (RREDI), the marketing conglomerate comprised of St. James, St. Charles, and St. John the Baptist Parishes and the Port of South Louisiana, hosted its 20th Annual River Parishes Industry Appreciation reception in recognition of the economic impact resident industry has on the River Region.

Industry managers were treated to a breakfast at Oak Alley Plantation in Vacherie, Louisiana, where they were welcomed and thanked by Parish Presidents Dale Hymel, V.J. St. Pierre, and Natalie Robottom and the Port's Director of Economic Development, Linda Prudhomme (on behalf of Joel Chaisson, the Port's Executive Director).



*LDEQ Secretary Peggy Hatch (R), with Marian Mergist,
Executive Assistant to the Secretary (L)*

The event was highlighted by remarks from guest speaker Peggy Hatch, Secretary of the Louisiana's Department of Environmental Quality (DEQ). In her presentation, Ms. Hatch addressed departmental budget measures, efficiency, new initiatives, and Louisiana's environmental improvement.

***Port of Morgan City
New Boat Launch Ramp***

Plans are underway to build a boat launch behind the Port of Morgan City's facilities located at 800 Youngs Road in Morgan City.

The launch, which will accommodate up to 40-foot vessels, will be limited to use by government agencies such as the U. S. Coast Guard, U. S. Customs and Wildlife and Fisheries. The plan, which includes gangways and floating docks, will continue to accommodate the U.S. Coast Guard's Cutter Axe.

Commissioners of the Morgan City Harbor and Terminal District accepted plans presented at its April meeting by Weston Solutions and Engensus Engineering and Consulting.

A joint permit is being sought through the Louisiana Department of Natural Resources, the U.S. Army Corps of Engineers and the Louisiana Department of Environmental Quality. Weston is expecting the permitting process to take about two to four months. The Commission authorized the soliciting of bids once permits have been granted.

The U. S. Coast Guard and other agencies who will be using the ramp were all encouraged to provide input during the plan development process.

Port of Lake Charles

PINNACLE ENTERTAINMENT, Creative Casinos and Lake Charles Harbor and Terminal District Announce Settlement of Outstanding Litigation

Pinnacle Entertainment (NYSE: PNK), Creative Casinos LLC, and the Lake Charles Harbor and Terminal District announced today a comprehensive settlement agreement that will resolve all litigation between the parties and lays the foundation for Lake Charles to become the preeminent casino resort destination in the South.

Pinnacle Entertainment owns and operates L'Auberge du Lac in Lake Charles, the leading

casino resort in Louisiana, offering 1,000 spacious rooms and suites, an exciting full-service casino, meeting space, a world-class salon and spa, a Tom Fazio-designed golf course and other amenities including a 1,400-seat entertainment venue and ten innovative dining outlets. Creative Casinos was recently selected by the Louisiana Gaming Control Board to develop Mojito Pointe, a 400-room casino hotel on a site adjacent to L'Auberge. The District is a state agency charged with fostering economic development in Southwest Louisiana, and also leases to Pinnacle and Creative the combined 500-acre site that L'Auberge occupies and Mojito Pointe plans to develop.

As part of the agreement, Pinnacle Entertainment and Creative Casinos have agreed to create and jointly operate festival grounds on shared acreage between the L'Auberge du Lac and Mojito Pointe sites. The festival grounds will be available for entertainment and community events and, along with a customer roadway and pedestrian walkway, will connect the two resorts.

The District is also exchanging land that it owns at the entrance of L'Auberge du Lac for land owned by Pinnacle along the Interstate 210 corridor. In addition to allowing Pinnacle to improve access to L'Auberge, the land exchange allows Creative to facilitate public access to its resort and helps both companies improve the transportation network of the community. Some of the land will also be used for the Mojito Pointe golf course.

"Resolution of these issues will allow Lake Charles to improve its position as the South's leading gaming resort destination," stated Pinnacle Entertainment President and Chief Executive Officer Anthony Sanfilippo. "The region continues to show economic growth and this agreement ensures that L'Auberge will continue to be at the heart of it."

"We're committed to making Mojito Pointe a world-class casino resort that will complement the L'Auberge experience, making Lake Charles itself a must-visit gaming destination," stated Daniel R. Lee, Managing Partner of Creative Casinos. "The two resorts will be close enough to be accessed easily from one to the other and the intervening space will be used primarily for a park-like setting and an entertainment and event area. We also look forward to working

with Pinnacle to cooperatively expand Lake Charles's reputation as a leading resort and entertainment destination."

Construction of Mojito Pointe is expected to start later this year, pending voter approval, with completion in 2013. The Mojito Pointe local referendum in Calcasieu Parish is scheduled for April 30.

"With this agreement, it is even more important that people in Calcasieu Parish vote on April 30," said Dan Lee. "We hope to keep the region's economic momentum moving in the right direction and this agreement really helps us to create a destination that is very special."

Port of New Orleans Higher Container Volumes Set Port record

Surging container volumes at the Port of New Orleans so far in 2011 resulted in a record month for the cranes used to move the 20- and 40-foot boxes from ship to shore. The Port's container gantry cranes, rented by terminal operators to load and unload containers, were used 927.2 hours in March - a 25 percent increase over the same month one year ago. For the first three months of 2011, usage was up more than 350 hours or 18 percent compared to 2010, which was a record year for the Napoleon Avenue Container Terminal.

Crane usage is a strong calculator of total volume and a source of revenue for the Port. Twenty-foot-equivalent-units, or TEUs, are the measure of volume within a container terminal. While the number of TEUs for March 2011 has not been calculated yet, TEU volumes totaled 81,987 for the first two months of the year, up 22.8 percent compared to one year ago. 2010 TEU volumes topped 427,518 - a record for the terminal. The Port set a record in September of 2010 with 43 container vessels arriving at Napoleon and broke that mark in January with 44. The Port has averaged more than 40 container vessels each month, or more than one per day, for the last six months. In March, the Port welcomed 43 container ships - 19 Mediterranean Shipping Company vessels, 11 Hapag-Lloyd vessels, five Maersk vessels, seven Seaboard Marine vessels and one CSAV vessel.

Work is ongoing to expand the terminal's 594,000-TEU current capacity. Construction is underway on the \$7.1 million Napoleon Ave.

Stage "C" expansion, which will add acreage to the marshalling yard and create efficiencies in container handling. Two new container gantry cranes are scheduled for delivery by mid-May and installation is expected to be complete by September. Seoul, South Korea-based Doosan Heavy Industries & Construction Co. Ltd. recently completed the construction of the cranes. The new cranes have a 65-long-ton lift capacity, 110-foot lift height, and a 167-foot outreach, making the cranes the largest in the Port's history. The overall cost of the project is \$29.5 million.

Legal News



Pollution Terminal Operator's Responsibility

On April, 2011 the U.S. District Court for the Eastern District of Pennsylvania issued its decision in the matter of Frescati Shipping Company, Ltd., in which damages of \$177 million dollars were sought by the owners of the tanker M/T ATHOS I and the United States against CITGO Asphalt Refining Company.

On November 26, 2004 the single-hull tanker M/T ATHOS I traveled up the Delaware River nearing the end of a 1900 mile journey from Puerto Miranda, Venezuela to Paulsboro, New Jersey. Approximately 900 feet from the dock of the refinery where it was to discharge its cargo, the tanker struck a submerged object that ripped two holes in the hull. Some 200,000 barrels of heavy crude oil spilled into the river with devastating ecological results. Investigation revealed that the object was a 9 ton anchor that had been abandoned within Federal Anchorage No. 9. The United States Government launched a multi-agency response to the disaster at great cost. The issue to be decided by the Court was whether CITGO and the companies associated with the refinery may be held responsible for the cleanup costs and the losses associated with damage to the ship.

At the time, the ATHOS I was sailing under a Charter Party which included warranties that the vessel would proceed to the discharging port "or so near thereto as she may safely get (always float) and deliver said cargo," and that the vessel would discharge "at any safe place or

wharf” designated by the Charterer “provided the vessel can proceed thereto, lie at, and depart therefrom always safely afloat.”

While maneuvering ATHOS I into its berth at CITGO Refinery, the ship began to list and oil was observed in the water. ATHOS I did not run aground, and remained afloat. The cause of this disaster was uncontested to the extent that all parties agreed that the ATHOS I struck a submerged object. It was later determined to be an anchor weighing 9 tons. No evidence as to how the anchor came to rest in the river was offered at trial. There was no evidence that any party to the litigation, including the government, knew or had reason to believe that the anchor was in the river. Side scan sonar data indicated that the anchor was in an area of the Delaware River known as Federal Anchorage No. 9. By Federal law, the U.S. Army Corps of Engineers bore the responsibility of keeping the anchorage dredged to a depth of 40 feet to provide for commercial navigation. Testimony at trial was to the effect that the government did not regularly survey the anchorage for possible hazards of navigation, but that if a hazard is brought to the government’s attention, it would be removed if feasible or mariners will be notified of its location.

At trial each side blamed the other for the casualty. Plaintiffs contended that CITGO was liable in tort under the theory of wharfinger negligence and misrepresentation because CITGO failed to survey for obstructions into the Anchorage and, because CITGO failed to notify the crew of ATHOS I that it had recently determined that the maximum draft that would be accepted in its berth had been reduced from 38 feet to 36 feet. The ATHOS I had a draft of at least 36 feet, 6 inches, and thus, according to the plaintiffs, had her captain known of the change, the ATHOS I either would not have attempted to reach the berth, would have attempted to decrease the ship’s draft before moving upriver, or would have scheduled the passage to arrive at high tide.

The defendants argued that blame lay with the ship because it was in poor condition, its draft was in excess of 36 feet, 6 inches, and its crew failed to engage in proper voyage planning that would have brought the ship in at the proper stage of the tide, with the government because the anchorage was solely its responsibility, and with the former unknown owner of the anchor, “because the hazard to navigation was abandoned without notifying anyone.”

In exonerating CITGO, the court found that it had no legal responsibility to survey Federal waters outside its berth area. The judge rejected plaintiff’s argument that the anchorage where the anchor lay constituted an approach to CITGO’s berth. The judge stated that to hold otherwise would have the effect of potentially expanding the definition of “approach” to the entire anchorage or to the entire Delaware River.

The court also rejected plaintiff’s argument that CITGO should have known of the presence of the submerged anchor. The judge found that CITGO had no responsibility to guarantee safe transit through the anchorage or to scan or survey the anchorage for hazards within that area.

The judge also rejected plaintiff’s claims that CITGO’s internal change of its acceptable draft next to its berth at the end of the refinery season was a misrepresentation upon which the ship’s captain relied. The judge rejected this argument because it did not involve the area where the casualty occurred and because the acceptable draft at the berth was factually irrelevant to the incident.

The court also rejected plaintiff’s claims that CITGO was liable under contract. Both the Charter Party and the bill of lading included safe port and safe berth warranties. The court rejected plaintiff’s arguments that these warranties were an unconditional guarantee which when in effect imposed strict liability upon a terminal operator such as CITGO. The court adopted the Fifth Circuit holding that a Charter Party’s safe berth clause does not make the Charterer the warrantor of the safety of the berth. Instead, the safe berth clause imposes upon the Charterer a duty of due diligence to select a safe berth. The court found that CITGO fulfilled its duty of due diligence and found that the port and berth were generally safe. The court noted that hundreds of vessels anchored in the anchorage during the time the anchor is known to have been in the river, and that a significant volume of commercial traffic had passed without incident, suggesting that the port was safe. It noted that other vessels had arrived and departed at the CITGO dock with similar drafts and without incident. Further, the judge concluded that a finding of liability pursuant to the claimed warranties in the Charter Party and bill of lading were also precluded by the “named port exception,” a doctrine which holds that “when a charter names a port . . . and the master proceeds there without protest, the owner accepts the port . . . as a safe port, and is bound

to the conditions that exist there.” The court concluded that “after hearing all the evidence . . . the fault for the casualty lies with the anchor’s former owner, who abandoned it in the river without notifying anyone. The owner of the anchor was never identified.

This is an interesting case and reaffirms the general rule that terminal owners’ responsibilities include the duty to act with reasonable care and due diligence to make sure that their berths are safe. It reaffirms the rule that terminal owners and operators are not guarantors of the safety of vessels approaching and entering their berth. See *In Re Petition of Frescati Shipping Company, Ltd.* C.A. No. 5-00305, U.S.D.C., E.D.PA.



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Big River Coalition

The U.S. maritime industry has expressed fears about the negative impact to the economy and international trade related to the lack of funding to dredge the Lower Mississippi River (LMR) since the Corps of Engineers New Orleans District (NOD) announced that it would no longer reprogram funds from other projects.

The NOD and industry members knew when this policy change was announced in September 2010 that if there were a high river event that the deep-draft channel on the LMR could be forced to deviate from the Congressionally authorized dimensions. Since this time, there have been several transit restrictions enforced because of the limits on dredging driven by the inadequate budget and complications related to the Continuing Resolutions and piecemeal temporary funding.

However, as much of the Mississippi River Basin is flooding, the high waters are now expected to impact the LMR over the next few weeks with a historic crest forecast on the Carrollton Gauge (New Orleans) of 19.5 feet on May 24, 2011. This newly revised crest takes into the account the full opening of the Bonnet

Carre' Spillway, that is now scheduled for 0800 hours on Monday, May 9, 2011. This historic crest and funding driven policy change has the potential to reduce the deep-draft channel in Southwest Pass to restricted dimensions near those implemented shortly after Hurricane Katrina devastated the Gulf Coast.

The dynamic hydrology of Southwest Pass, the entrance/exit into the LMR, is heavily influenced by the back pressure the Gulf of Mexico exerts on the riverine channel. As the elevated river water column surges downriver and the flows are slowed by the force of the Gulf, sedimentation occurs and it is these deposits which will effectively strangle the shipping channel. The Congressionally authorized dimensions in Southwest Pass are 45 feet (depth) by 750 feet (width). The Corps has indicated that without additional funding the depth (vessel draft) could be reduced by another five feet or more.

For the majority of the last few months, at least a few reaches of Southwest Pass have been reduced to about half of their authorized width. The Panamax vessels, the largest that can transit the Panama Canal, carry cargoes that can represent \$1,000,000 or more per foot of draft at about 2400 tons of cargo per foot. The Exxon refinery at Baton Rouge has the #2 capacity in the nation of about 500,000 barrels per day and tankers calling this refinery would have to transit Southwest Pass and the Crossings above New Orleans at reduced dimensions. The Crossings will shoal in as the stage subsides, the exact opposite of Southwest Pass.

The NOD is preparing to open all 350 bays of the Bonnet Carre' Spillway to direct 250,000 cubic feet per second (1,870,000 gallons per second) of this historic flow out of the river in an effort to reduce the pressure on the levees that protect much of south Louisiana from flooding. This will be just the 10th time this Spillway has operated, the last such time was in 2008. During the highest stage levels in Southwest Pass that year, the NOD responded with a maximum of 7 hopper dredges in an attempt to maintain the deep-draft channel. Presently, the Corps is limited by its budget and only has 4 dredges working in Southwest Pass.

The Lower Mississippi River has an annual economic impact on the nation's economy of approximately \$100 billion. The NOD estimates that with an additional \$60 million it would have

sufficeint funding to restore and maintain authorized channel dimentions on the economic superhighway of the Mississippi River. This amount would fund 6 additional hopper dredges for Southwest Pass, an addiitonal dredge for the New Orleans Harbor, and three dustpan dredges for the Crossings above New Orleans. As much of the Mississippi River Basin braces for historical water levels, it is important to remember that the grounding of the M/V Marshal Konyev in 1989 effectively closed the Lower Mississippi River for almost one month. This is not conjecture as the threat looms that inadequate funding and one vessel grounding could once again close the deep-draft channel on the nation's most critical waterway.

Unfortunately, our nation has recently been devastated by several catastrophic weather patterns, most notably in the tornadoes and flooding that have impacted the South and Midwest. The disaster that awaits our economy if the channel that connects over 30 states and 2 Canadian provinces via 12,000 plus miles of waterways can conversely be avoided. Even more perplexing is the fact that shippers pay a tax based on the amount of imported cargo value that is supposed to be used to fund dredging on our federally authorized deep-draft channels. This tax, called the Harbor Maintenance Tax, has had its funds diverted to other projects, in essence undercutting over \$6 billion from the nation's critical waterways.

The diversion of these funds can be directly linked to the underfunding that plagues many of our nation's harbors, ports and terminals. The negative impact and devastating blow to the economy could be avoided if the required funds were appropriated promptly. After Hurricane Katrina impacted the Gulf Coast, fuel costs rose 74 cents/gallon overnight; that amount increased to \$1.04/gallon after Hurricanes Rita and Gustav. If additional funds to dredge the Lower Mississippi River are not delivered soon, the impact to the economy will be monumental and could indeed push gas over \$5.00/gallon.

The scenario is bleak as Appropriators have few resources to fund projects outside of the normal budget because of an untested decision to avoid earmarks that in the past allowed our nation, commerce, and many critical projects to be funded in order to prevent similar manmade disasters. If the NOD does not receive funds to dredge the Lower Mississippi River channel soon, domestic transportation costs will

significantly increase while also once again placing American importers/exporters under a competitive disadvantage aganst foreign companies.

It is also important to remember another hard-learned fact from past disasters: the Lower Mississippi River is the very channel that many of the cargoes and needed goods to rebuild in the country's interior will depend on. The additional funding pales in comparison to outstanding amounts generated by the Harbor Maintenance Tax and the economic blockage of a vital artery of trade and transportation. The Big River Coalition requests your assistance to avoid running our economy aground by securing the documented \$60 million to avoid further impediment to marine transportation on the Lower Mississippi River.

World Trade Center



Louisiana posted record fourth-quarter exports in 2010 to cap off a year in which shipments rebounded nearly 27 percent to \$41.3 billion, the World Trade Center of New Orleans said in a recent report.

Exports last year outpaced 2009's \$32.6 billion and nearly matched the \$41.9 billion posted in 2008. The 2010 increase was attributed to a recovering global economy.

Exports from Louisiana totaled \$13.9 billion in the last three months of 2010, up \$4 billion over the same period in 2009 and the highest fourth quarter on record, the WTC reported.

Total U.S. exports were up 21 percent for all of 2010, with Louisiana placing ninth in state rankings. Among the top 10 exporting states, Louisiana's rate of growth ranked third behind Michigan and Texas.

"Louisiana exporters are reporting an increase in sales for oil and gas equipment, machinery parts, consumer goods and food products," Don van de Werken, director of the New Orleans U.S. Export Assistance Center, said in a news release.

Louisiana's top exports were agricultural products, \$15.1 billion, an increase of 13.2 percent; petroleum and coal products, \$10.9 billion, a 70.3 percent increase; chemicals, \$6.3 billion, a 17.1 percent increase; and food products, \$3.9 billion, an 18.2 percent increase.

Louisiana's principal export markets were China, \$6.5 billion; Japan, \$3.1 billion; and Mexico, \$2.8 billion, followed by the Netherlands, Canada, Singapore and South Korea.

"The strong demand for Louisiana products around the globe, our great port system and our position as a center for trade in the hemisphere are all keys to our continued growth," World Trade Center Chief Executive Officer Dominik Knoll said in the news release.

Van de Werken noted that Louisiana companies are in the "perfect position to take advantage of sales opportunities in Central and South America," in particular the U.S.-Colombia Trade Agreement.

That agreement alone is expected to expand U.S. goods exports by more than \$1.1 billion, he said. It will give key U.S. goods and services duty-free access in sectors from manufacturing to agriculture. It will increase U.S. gross domestic product by \$2.5 billion and support thousands of additional U.S. jobs, van de Werken said.

Jerry Hingle, executive director of the Southern U.S. Trade Association, said that "U.S. food and agriculture exports rose steadily in 2010 thanks to rebounding economies and a competitive U.S. dollar. Exports are expected to continue to grow in 2011 as our fastest growing markets — such as China and India — develop a taste for higher-value foods. The U.S. has a competitive edge in these types of products and consumers around the world love our food and cuisine," he said.

"As our agricultural economy continues to grow, it is critical that we look for opportunities to brand our products for export into the global market," Louisiana Agriculture and Forestry Commissioner Mike Strain said in the press release.

The increase in total vessel weight for Louisiana's exports for the year was 18.6

percent compared to 2009, while total U.S. exports registered a 15.4 percent gain, according to the World Trade Center report.

The report was generated by the World Institute of Strategic Economic Research from U.S. Census Bureau data. It covers the export of Louisiana-originated 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 the difficulty of identifying the actual states of origin.

MARK YOUR CALENDARS

June 2, 2011 PAL Monthly Meeting, 10 AM, Best Western Richmond Suites, Baton Rouge, LA

July 7, 2011 PAL Monthly Meeting, 10 AM, Best Western Richmond Suites, Baton Rouge, LA

August 4, 2011 PAL Monthly Meeting, 10 AM, Best Western Richmond Suites, Baton Rouge, LA

