

# Tennessee-Tombigbee Waterway Development Council

## *NEWSLETTER*

April 2008



### **Kinder Morgan Opens New Mississippi Terminal**

On March 6<sup>th</sup>, Kinder Morgan and the Lowndes County, Mississippi community celebrated the opening of its new barge unloading terminal. The new 30-acre terminal is located on the west bank of the Tennessee-Tombigbee Waterway at the port. The new facility primarily handles scrap iron and other raw materials to support the SeverCorr steel production

plant and serves as a vital transportation link for the steel maker.

Functioning at full capacity, the facility now unloads approximately one million tons annually. "Our new terminal brings added tonnage to the Tennessee-Tombigbee Waterway which in turn will generate additional funds to help support maintenance and further development of the waterway," said Thomas Ruff Sr., director of operations at the Columbus terminal. The facility is staffed with all local employees and is now operational 10-12 hours per day, seven days a week.

The recent opening of the Lowndes County facility is part of a total investment of \$500 million by the company in terminal facilities at five locations throughout the nation and Canada. Kinder Morgan Energy Partners, L.P. (NYSE: KMP) is also a leading pipeline transportation and energy storage company in North America. Its pipelines transport natural gas, gasoline, crude oil, CO<sub>2</sub> and other products, and its terminals store petroleum products and chemicals and handle bulk materials like coal and petroleum coke. One of the largest publicly traded pipeline limited partnerships in America, the company has an enterprise value of approximately \$20 billion.

**Sumter County, Alabama, Lands  
U.S. Steel Plant**



**Governor Bob Riley and John Goodish of U. S. Steel Corp. sign an agreement on April 18<sup>th</sup> that will bring a new steel facility to Sumter County, Alabama.**

United States Steel Corporation announced on April 18, 2008 that it would soon bring its latest investment to the Port of Epes. The company initially plans to invest \$150 million in the plant with potential for a total investment of \$450 million. Once completed, the company will employ 75 full-time employees and could expand to 235 positions, depending on the demand for steel. Salaries could average \$50,000 a year, once the plant is in full operation.

The plant will use state-of-the-art technology to turn coal into cokonyx, a brand-name carbon alloy that replaces traditional coke. Carbon alloy is a key ingredient in steelmaking. The new coke process also significantly reduces emissions and energy consumption compared to a traditional coke facility or other commercial non-recovery processes, according to the company. It will make 250,000 tons of cokonyx a year that will be shipped to U.S. Steel's Fairfield steel plant. The cokonyx is also thought to be cheaper than traditional coke.

Construction will begin in about six months, after permit applications are finalized, and will create 250 temporary jobs.

### **Texas Transportation Institute Releases Major Inland Barge Study**

A new study recently released from the Texas Transportation Institute reports on the environmental, societal and safety impacts of barge transportation and comparisons of such to highway and rail modes. The study, entitled "A Modal Comparison of Freight Transportation Effects on the General Public," also compares the transportation modes in terms of capacity, energy efficiency, and infrastructure impacts. Findings include the amount of cargo currently transported on the Mississippi, Ohio, Tennessee, Cumberland and Columbia rivers and Gulf Intracoastal waterways to be equivalent to 58 million truck trips on the nation's highways, or an increase of nearly 25 percent more tonnage on the railroad system.

"While this study does not specifically analyze the Tenn-Tom Waterway, we can certainly draw many of the same conclusions and find the same trends present within the system," said Mr. Jim Kruse, Director of the Institute's Center for Ports and Waterways. The 77-page study can be downloaded in PDF format from the National Waterways Foundation Website at [www.nationalwaterwaysfoundation.org](http://www.nationalwaterwaysfoundation.org) or by calling the Tenn-Tom office for assistance at 1-888-TENN-TOM.



### **Port of Mobile Expansion Continues**

The Port of Mobile recently received its first two container cranes for the Mobile Container Terminal LLC, which is scheduled to open in September. The cranes, when fully operational, can handle 60 containers per hour. The equipment is part of a \$380 million seaport expansion project for the Port. Mobile Container Terminal LLC is a joint investment between APM Terminals North America and Terminal Link, a subsidiary of CMA CGM.

The shipment of equipment also included two coal stacker-reclaimers for the McDuffie Terminal. The shipment of the two stacker-reclaimers marks the final equipment delivery for the Port Authority's \$80 million expansion program at McDuffie. The new stacker-reclaimers can handle 3,000 tons of coal per hour. Phase I of McDuffie's expansion brought its capacity to 24 million tons annually. When the expansion is complete in November, its capacity will reach 30 million tons making it one of the most versatile coal handling facilities in the United States.

### **Car Containers for CMA CGM**

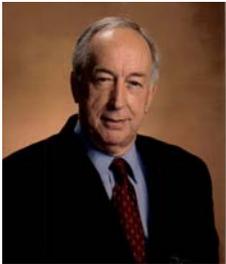
Can one mode of transport regarded as specialized today become the standard in the near future? This would seem to be the case for vehicle shipments. Car carriers currently have a 90% market share, with container ships accounting for the remaining 10%. A new container type designed by Britain's Trans Rak in partnership with CMA CGM is about to revolutionize the industry and reverse this trend. These 40-foot long containers are fitted with sliding and retractable ramps so as to transport up to four vehicles of any kind, instead of two, regardless of size. They also provide additional benefits. This car containers solution ensures safe, simple and secure shipments without breaking bulk; cars are shipped directly from the factory free from dirt, theft and weathering and arrive directly at distribution centers without any immediate handling. This design also offers greater flexibility when servicing secondary ports and more effectively meets the needs of exporters in terms of delivery flows and frequency.

Car containers are a viable and cost-effective alternative to “car carriers,” and CMA CMG expects additional deliveries.

### **Intermodal Transport Symposium**

The Tennessee-Tombigbee Waterway will host the third Semi-Annual Intermodal Transport Symposium on June 25, 2008, in Tupelo, Mississippi. The focus of this year’s symposium is to highlight the potential of container-on-barge cargo as it relates to the Tupelo-centered furniture industry. Speakers, for the one-day event, will provide information on all phases of transportation to industry representatives including: port capabilities, barge line operations, scheduling and cargo capabilities, waterway reliability, as well as, economic benefits. For more information, please contact Mrs. Agnes Zaiontz at 662-328-3286 or visit [www.tenntom.org](http://www.tenntom.org).

### **Former Waterway Administrator Joins Dawson & Associates**



(Washington, D.C.) – Don Waldon, Administrator of the Tennessee-Tombigbee Waterway Development Authority for more than 20 years, has joined Dawson & Associates as a Senior Advisor.

Founded in 1997, Dawson & Associates is the nation’s premier government relations and public affairs firm for water and natural resource environmental permitting. The company includes more than 30 former federal and state officials, including former Members of Congress John Myers and Sonny Callahan.

Myers and Sonny Callahan.

Mr. Waldon comes to Dawson & Associates with more than 35 years experience in federal and state water resources issues. From 1984 to 2005, he was Administrator of the Tennessee-Tombigbee Waterway Development Authority, a four-state compact established by Congress to promote economic and trade development of the Tenn-Tom Waterway in Alabama, Kentucky, Mississippi, and Tennessee. Prior to that, he served nine years as the Authority’s Deputy Administrator.

From 1985 to 2005, Mr. Waldon also served as President of Tennessee-Tombigbee Waterway Development Council and from 2002 to 2004 was Vice-Chairman of the National Waterways Conference, Inc., the premier national trade association concerned with water transportation.

During the mid-1970s, he was Deputy Assistant Secretary at the Interior Department, where he oversaw all land and water resource agencies. That was the backdrop for “one of my favorite anecdotes,” recalls Waldon:

“In 1974, Evel Knievel tried to jump the Snake River Canyon in Idaho in his homemade rocket from private property he had leased. The jump was scheduled for September 8 but a few days before that, Interior’s state office for the Bureau of Land Management notified our department that the land on the other side of the jump was federal land. I instructed BLM to notify the stunt producers that Interior was not going to issue a permit for Knievel’s hare-brained idea and if he landed on federal land, he’d be fined, even though a pittance compared to the money that would be generated by the stunt.

“As expected, the jump proceeded but he never made it across the canyon so it became a nonissue.”

Waldon also served for 8 years in the Office of Management and Budget of the Executive Office of the President overseeing the Army Corps of Engineers, the Interior Department, and TVA. He has a degree in civil engineering from Mississippi State University.

### **Container Shipping Info Service Unveiled**

A group of international container shipping companies have launched the Container Shipping Information Service (CSIS) to encourage an understanding and appreciation of the container shipping industry. The CSIS is designed to assist people in their understanding of how the “humble” container ‘box’ helps them to enjoy life’s everyday conveniences. The Network also plans to address some common areas of general concern such as the environment, globalization and security. A website, [www.shipsandboxes.com](http://www.shipsandboxes.com), has been established as the first step in raising awareness and appreciation for the industry. Among the container lines unveiling the new service are Atlantic Container Line, China Shipping Group Co., CMA-CMG Group, COSCO, Crowley Maritime Corp., Evergreen Marine Corp., Hapag-Lloyd, Maersk Line, Mediterranean Shipping Co. S.A., Mitsui O.S.K. Lines, Orient Overseas Container Line Ltd., and United Arab Shipping Company.

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### **Lock Closures**

Closures of the Whitten and Fulton Locks on the Tennessee-Tombigbee Waterway and the Demopolis and Selden Locks on the Black Warrior Tombigbee have been rescheduled for September 10-24, 2008. For more information, please contact Rick Saucer, U.S. Army Corps of Engineers, at 662-327-2142.

### **Pending Legislation**

**Lockage Fees/Taxation** - On April 4, 2008, the Administration officially announced its proposal for a new waterway user fee system, in the form of lockage fees, as part of the 2008 budget. Today, shippers pay 20 cents per gallon on fuel used on the nation's waterways. These funds are deposited in a trust fund in the U. S. Treasury and are used to pay half the cost of improvements to the waterway system. Any new lockage fees will put inland waterway systems, such as the Tenn-Tom with ten locks, at an unfair advantage with other systems such as the lower Mississippi River and the Missouri ,which do not maintain locks. The Tenn-Tom Authority and Council are on record in opposition to any increase in user fees. For more information please contact Mike Tagert at 1-888-Tenn-Tom.

**Alabama House Bill (HB) 55** – Establishes an Inland Waterways Advisory Board and Transportation Fund. The bill has passed through the Senate Commerce, Transportation, and Utilities Committee and awaits floor vote.

**Water Resources Development Act (WRDA)** – Congress has begun dialogue on constructing the next WRDA bill. Bipartisan leadership from the House Transportation and Infrastructure Committee sent letters of notification to members on March 14<sup>th</sup> inviting project requests. This action comes four months after Congress was forced to override the President's veto of the 2007 bill. The House Committee is asking members to submit requests by April 25<sup>th</sup>.

**Mississippi** - \$10M in Multimodal Funds was allocated again in the 2008 Legislative Session. Thirty-eight percent is dedicated to Ports.

**House Resolution 2421** – Currently making its way through Congress and gaining support. Under the Clean Water Act, this measure would declare all waters to be subject to the Act, hence requiring permits for each. The ramifications of such a change are not fully understood, but economic development along the waterway would certainly be impacted.



Members of the Coalition for Alabama Waterways visited their respective Washington delegates in March to promote the entire inland waterway system. Pictured (front row –left to right) are Jerry Sailors (CARIA), Ralph Clemens (CARIA) and Judy Adams (Alabama State Port Authority). Back row – Mike Tagert (Tenn-Tom Waterway), Larry Merrihew (Warrior-Tombigbee Waterway) and Sheldon Morgan (Warrior-Tombigbee Waterway).



Council President Mike Tagert, Nick Ardillo, and Don Waldon visit with Senator Roger Wicker (R-MS) on waterway issues including regional allocations and lockage fees/taxation.

### **Member News**

**Kevin Malcolm**, ULA Supplier Program Manager (and Tenn-Tom Waterway board member), has recently been reassigned from Decatur, Alabama, to Torino, Italy.

While in Decatur, Kevin managed the Delta Mariner Major Subcontract for United Launch Alliance (ULA). The Subcontract covers waterway transportation of Delta IV Launch Vehicle hardware from Decatur, Alabama, to either Cape Canaveral AFB in Florida or Vandenberg

AFB in California utilizing the Tenn-Tom. The Subcontract is with Foss Maritime, and more close to home, their subsidiary Gulf Caribe Maritime in Mobile, AL.

Kevin's new assignment is expected to last two years and will have him managing another Major Subcontract for ULA with Thales Alenia Aerospace in Torino, Italy. Kevin wishes to extend his hospitality to any of the Tenn-Tom members traveling through Torino during that time. His contact information may be obtained from the Tenn-Tom office.

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Council Treasurer **Fred Hansard** was recently featured in the Demopolis Alabama Times for

his continued success at the Demopolis Yacht Basin. In 1986, the business held less than 10 boats on a daily basis. Today, two major lots are continually full and a third is under construction. Expected to be completed by the end of summer, this 600-by-600 foot lot will take the basin's total dry storage area up to 360,000 square feet. Also featured was the expansion of the marina. The project is expected to be complete in two years and will nearly triple the marina's current capacity, taking its total capacity up to 700 vessels.

**Ted Moore** has been named Executive Director of the McNairy County, Tennessee Economic Development Commission/Chamber of Commerce. Ted was formerly the community President of Regions Bank in McNairy County. He retired after 35 years in the banking industry on December 31, 2007.

**Mike Tagert**, Council President, was recently awarded the Distinguished Service Award by the Catfish Farmers of America for his service to the industry during his six years as bureau director. Mike is the former director of the Bureau of Plant Industry.

### **Welcome New Members**

Dr. Jerry Bilbrey  
Troy University  
Troy, Alabama

Dr. Mac Holmes  
Troy University  
Troy, Alabama

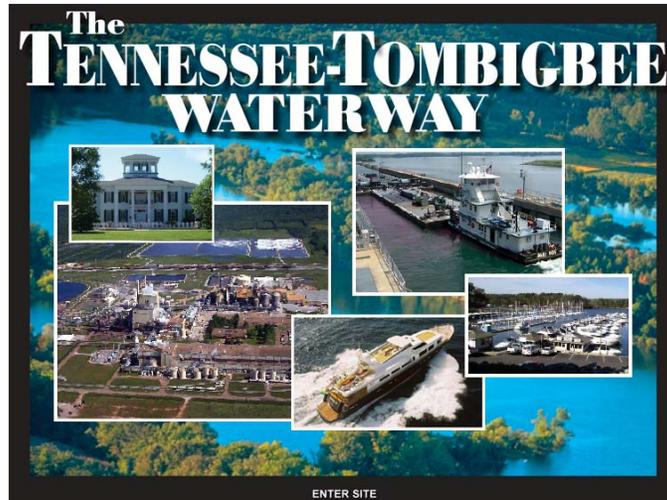
Dr. Phillip Mixon  
Troy University  
Troy, Alabama

Mr. Ralph Billingsley  
Lowndes County Administrator  
Columbus, Mississippi

Mr. Juan J. Flores  
Freight Multimodal Manager  
Mississippi Department of Transportation  
Jackson, Mississippi

Mr. Ronald Johnson

L.E. Johnson Transport, LLC  
Selmer, Tennessee



For information on the Tennessee-Tombigbee Waterway visit our website at [www.tenntom.org](http://www.tenntom.org).

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