

Tennessee-Tombigbee Waterway Development Council NEWSLETTER

February 2008

Mike Tagert named President of the Tennessee-Tombigbee Waterway Development Council



Columbus, MS •• A lobbyist and director of the Mississippi Bureau of Plant Industry, **Mike Tagert** was named as the new President of the Tennessee-Tombigbee Waterway Development Council at the Council Board meeting in Columbus, MS, on February 12th. Mr. Tagert was named administrator of the Tennessee-Tombigbee Waterway Development Authority at its meeting in Jackson, TN, on January 19th.

Tagert, who lives in Starkville, MS, began work for the Authority in the Columbus office on February 1. "I look forward to meeting and working with all waterway users throughout the inland system," said Tagert.

Before serving as director of the state's Bureau of Plant Industry, he worked as a special projects officer and lobbyist for the Mississippi Department of Agriculture and Commerce in Jackson and in Starkville, MS. Tagert served in the United States Marine Corps and Marine Corps Reserve.

"We're pleased to have someone with Mike's background and expertise representing the members of the Council. He brings a wealth of energy and knowledge to the position," said **Steve Alley**, Chairman of the Council.

Tagert will be traveling the four-state corridor and to Washington to promote waterway development and usage. He and his wife, former Mary Love Mortimer, live in Starkville, MS. They have a daughter, Frances, and a son, Harlan.

Message from the President

I'm very proud to be involved in your organization. Having been recently elected to serve the Council, I look forward to a lengthy and productive relationship with you, your industries, and all stakeholders of the Waterway. The Tenn-Tom Waterway and its users have long since been leaders within the inland system. As such leaders, users, and stakeholders, you know and understand your needs, the needs of your respective industries, and the Waterway, itself, far better than anyone else. My job will be to effectively communicate those needs, deliver those messages, and promote the waterway.

The Council serves as an industrial and commercial complement to the role of the Authority. Both organizations work together for the long term benefit of the Waterway and its users. I hope to serve as a bridge between the two organizations for the betterment of both. I plan to do this by listening, learning, promoting, and listening more. Again, I am very

pleased to be working with you and I look forward to the profitable future of the Tenn-Tom Waterway.

Sincerely,



Mike Tagert

Federal Funding

Federal funding for Fiscal Year 2009 will be evaluated differently as compared to recent years. Corps funding will be allocated based upon "basins" and not by specific projects or by individual states. The Tenn-Tom Waterway is included within the Alabama Mississippi River (AMR) Basin. Funding for Corps operation and maintenance as well as additional projects will be considered collectively within the entire basin and with all other needs. This makes the process of supporting our respective needs more difficult because the boundaries have changed and we do not have a comparative budget from the Corps. Early estimations on funding needs for the Tenn-Tom include \$25M for operation and maintenance, as well as, \$2.35M for wildlife mitigation efforts. This level of funding would allow the Corps to provide a much needed backlog of dredging and maintenance activities.

The mooring cells, to be built at the Lowndes County Mississippi Port, are progressing in its construction process. Bids and contract selection for the \$5M project will be completed within the next 60 days and construction is expected to take four months.

Congressional and Senate Changes

U.S. Representative Roger Wicker (R-MS) has been appointed to the U.S. Senate by Governor Haley Barbour. Senator Wicker will fill the vacancy made available by the resignation of Trent Lott in late December. A special election is set for November 2008 for the remainder of Lott's term, which runs through 2012.

U.S. Representative Jo Bonner (R-AL) was appointed to the House Committee on Appropriations on February 14, 2008. The Republican Steering Committee selected Bonner to fill the vacancy created by Representative Roger Wicker (R-MS) upon his move to the Senate. Bonner was pleased with the appointment saying, "By entrusting me with this position, the Steering Committee has charged me with...restoring fiscal credibility to Washington. I won't let them down."

We certainly wish Senator Wicker and Congressman Bonner the best with their new responsibilities.

Inland Waterway User Fee

The American Waterways Operators (AWO), the national trade association for the tugboat, towboat and barge industry, criticized the proposal in the administration's Fiscal Year 2009 budget to phase out the fair inland waterway fuel tax system and replace it with a lockage fee in order to raise revenue. Not only would a lockage fee disproportionately target certain users of the inland waterways system, it would not fix the broken system that spends Inland Waterways Trust Fund (IWTF) monies inefficiently and ineffectively.

Noting the broad benefits of the nation's waterways, from commerce to recreation to flood control, AWO President & CEO **Tom Allegretti** explained that while the fuel taxes are being fully paid, the funds are not being spent efficiently, resulting in escalating costs and decade-long delays. Inadequate budgeting, planning, and project execution are the main reasons for the projected Trust Fund deficit, not inadequate user fees. Increasing user fees at this time would unduly burden the industry to solve a problem that is not its doing.

Under the current fuel tax system, all commercial users of the inland waterways contribute based on the amount of fuel that they consume, which raises about \$90 million per year for the IWTF. The Trust Fund is then used to pay for half of all new capital construction and major rehabilitation projects on the inland waterways system. Under the lockage fee proposal, some users who transit many locks would pay a disproportionate share of the costs, while other users could end up paying nothing at all because their vessels do not pass through a lock.

“Given the flawed business model that the federal government now uses, instituting more fees and taxes would result in additional money being spent inefficiently while needed projects are delayed and costs continue to escalate,” said AWO Chairman of the Board **Royce Wilken**. We should first carefully examine the entire system of planning, authorizing and funding inland waterways projects and make this process more efficient before considering new taxes.

Pending Legislation

Alabama House Bill (HB) 55 – Authorizes the Transportation Department to provide a comprehensive plan for the development and coordination of a transportation system for inland waterways; establish Waterways Advisory Board and Inland Waterway Transportation Fund.

Alabama HB328 – Appropriations bill for the Coalition of Alabama Waterway Associations.

Kentucky HB491 – Establishes the Water Transportation Advisory Board; establishes riverport marketing as a program to be administered by the Cabinet for Economic Development; provides for financial assistance for new and major replacement or repair projects for Kentucky's riverports.

Kentucky House Resolution (HR125) – Urges Congress to fully fund the upgrade and maintenance of locks and dams on the Ohio River bordering the Commonwealth of Kentucky in order to maintain the effective flow of commerce and enhance homeland security.

Tennessee Senate Bill (SB)2454 and HB3583 - Sunset language for the Tennessee Tombigbee Waterway Development Authority. Passed the first and second consideration by the Government Operations Committee within the respective chambers. The extension is for four more years with a sunset of June 30, 2012.

Barbour to Lead Appalachian Regional Commission



Mississippi **Governor Haley Barbour** has been elected to serve as the 2008 States' Co-Chair of the Appalachian Regional Commission (ARC). The ARC is a federal-state partnership that works to create multi-state economic development opportunities and improve the quality of life within the region. Governor Barbour will succeed West Virginia Governor Joe Manchin, III, in this position.



Corps of Engineers

January 2008 - The Army Chief of Staff announces the following general officer assignments:

Major General Don T. Riley, director of civil works, Washington, D.C., to deputy chief of engineers/deputy commanding general, Washington, D.C.

Brig. Gen. Michael J. Walsh to commanding general, Mississippi Valley, Vicksburg, Miss. He most recently served as commander, Gulf Region Division, Operation Iraqi Freedom, Iraq.

Lock Closures

Closures of the Whitten and Fulton on the Tennessee-Tombigbee and the Demopolis and Selden Locks on the Black Warrior Tombigbee have been rescheduled for September 10 – 24, 2008. The change in lock closures was needed to accommodate critical shipments of scrubbers down the Tenn-Tom for Alabama Power Company. Contact **Rick Saucer**, U.S. Army Corps of Engineers, for more information at 662-327-2142.

Alabama Sturgeon

A petition by the Alabama-Tombigbee Rivers Coalition and the Pacific Legal Foundation to have the U.S. Supreme Court remove the Alabama Sturgeon from the endangered species list has been denied. The petition was based on attempted claims that the listing violated the interstate commerce clause of the U.S. Constitution. The claim was made because the fish is only found in the Alabama River and is already protected by such laws in the State of Alabama. While the ruling is disappointing, it does end years of litigation regarding this issue.

Industrial Development News

ThyssenKrupp - New Phase of Construction

ThyssenKrupp Steel USA and ThyssenKrupp Stainless USA have begun the process of hiring professional salaried positions for their 3,500 acre facility in Calvert, Alabama. This will continue to take place throughout the next three years until the \$3.7B carbon and stainless steel processor begins operation in 2010. When fully

staffed, the company will employ approximately 2,700. Both companies are seeking employees in the following areas of expertise: Management, Accounting and Finance, Information Technology, Human Resources, Logistics, Purchasing, Project and Maintenance Management, Production Planning, Sales and Marketing, Environmental health and safety, Engineering, and Quality assurance. The new facilities will serve industries including automotive, construction and household appliances.

Kinder Morgan Receives First Barge



The first barges of Brazilian pig-iron arrived at the new Kinder-Morgan port on the west bank this week. Each barge is carrying a partial load of pig-iron, for training purposes. The new E-Crane (equilibrium crane—but it's also an electric crane) is already assembled and workmen are now assembling the mobile hopper that will be joined to the crane by steel shafts. The dock was built by Phillips Contracting, with construction beginning last July. It is about 300 feet long and has a "dead man" curtain/weight that anchors the sheet piling that forms a vertical wall the length of the dock. The sheet piling is 45 feet long and were driven into the notorious Tombigbee blue rock to a depth of several feet (in places a trench was first made in the blue rock to seat the butt ends of the sheet piling. After all of the piling was driven the tops were cut off level and channel iron welded to them. The sheet piling are connected to the massive dead man by three-inch bolts. A set of rails runs the length of the dock and the huge crane (it cost around \$2 million) and the hopper travel up and down the rails to gain position over each barge. Trucks will pull under the hopper to be loaded and will then depart between the legs of the enormous crane. The crane has a counterweight that moves in and out automatically to balance all loads. Pig iron will be unloaded using a grappling claw; as a barge is emptied, a front-end loader will be placed into the barge to push the pig iron up so the claw can get a claw full. The last pieces of pig iron will be picked up with a magnet. The initial plan is to transport pig iron and scrap iron to Severstal in trucks, but some thought is being given to running a rail spur from the nearby railroad to the new port too. A second phase of port construction is already on the drawing board that will increase the length to 450 feet (to accommodate two barges end to end). Each 195' x 35' barge can carry 1,500 tons. Each truck will haul 20 tons. Kinder-Morgan is investing \$10 million in the facility. The state is putting up \$1.2 million, of which half will go to upgrade Old Macon Road.

The Lowndes County Port Authority bought the 60 acres for the port from the Corps of Engineers for \$240,000 but Kinder-Morgan has a 30-year lease. MDOT is making plans to replace the bridges on Hwy 182 from the Tenn-Tom. The port is located south of the big KCS railroad trestle. Initial plans were to build the port nearer to Old Hwy 182 but Severstal and Kinder-Morgan opted to take it south. Hardy said that the port "is in the best place it could be."

Port of Decatur, AL



The Port of Decatur is the busiest port on the Tennessee River with access to the Tennessee-Tombigbee Waterway. The port handles a large portion of the more than five million tons of river freight that moves through Decatur, AL

Source: American Profile

Unusual Cargo on Waterway



© Photo by Jeff L. Yates, Used with permission.

The mv. Nelson Lewis was spotted at Paducah January 10 with an unusual cargo. The pilot said the equipment will be used in a power plant in the Pittsburgh area that is being retrofitted to meet new clean air standards. The units traveled up the Tennessee-Tombigbee Waterway from a manufacturing facility in Alabama, then down the Tennessee River to Paducah. Later that day, the tow was taken by the mv. Bruce L. Hahn for the trip up the Ohio River to Pittsburgh.

Proposed Intermodal Transport Symposium

The Council is planning to host the third Intermodal Transport Symposium in the spring of this year. The Symposium will provide industry leaders with an opportunity to learn more about the potential of Container-on-barge cargo. The Symposium will provide information and a forum for companies to learn if this opportunity is appropriate for their businesses. One possible focus of the Symposium may include an emphasis on the existing furniture market and how this may provide new opportunities for that industry. Dates and location for the meeting are forthcoming. For more information or to provide input, please call the Council office.

Tennessee Waterway Assessment Study

The Tennessee Department of Transportation (TDOT) in cooperation with the Nashville District US Army Corps of Engineers (USACE) has selected Hanson Professional Services Inc. to provide consulting services for the Tennessee Waterway Assessment Study Phase II. The purpose of the project is to deliver recommendations for the role of TDOT in support of Ports and Waterways in Tennessee. Stakeholder meetings will take place throughout the state in March. All those interested in promoting the inland waterway system of Tennessee should participate. For more information, call Debbie McClish of Hanson at (615) 665-9611 ext. 4101.

National Waterways Conference Names New President



A new president for the National Waterways Conference, Inc. based in Arlington, VA, was announced recently by **Gary LaGrange**, Chairman of the organization that supports all facets of the nation's water resource interests.

Amy Larson, who has been general counsel of the Federal Maritime Commission in Washington, D. C. since 2004, was named to the position effective March 1 by LaGrange, president and chief executive officer of the Port of New Orleans.

"I am confident that Larson will build on her success as the maritime commission's general counsel to lead the conference into its second half century of serving the broad interests of its members," LaGrange said.

In accepting the position, Larson said she looks forward toward continuing and expanding the conference's efforts in developing a national policy that meets the varied needs of the public, shippers, recreational users, ports, industrial users and other stakeholders while supporting the waterways' environmental needs and economic development.

The 200-member conference has worked toward those needs since its formative years 53 years ago even before being formalized in 1960.



Tennessee Tombigbee Waterway Development Authority Celebrates 50th Anniversary

By approving the Tennessee Tombigbee Waterway Development Compact, the States of Alabama and Mississippi established their respective Waterway Development Authority in 1958. The compact was originally ratified to formally establish a mutual agreement to build, promote, and develop the waterway for the benefit of both states and the entire inland waterway system. Today, four states including Kentucky and Tennessee are members, and the waterway has seen unprecedented growth and investment in recent years. The importance of the Authority and its mission are more important today than ever before. We salute the Authority and its past success and look forward to another 50 years of progress and profit for waterway users.

News About Members

Mike Hainsey, executive director of the Golden Triangle Regional Airport, has been named the 2007 Commercial Airport Manager of the Year by the Federal Aviation Administration Southern Region Airports Division.

Joy Foy has been named as chairman of the scholarship committee of the Mississippi Economic Development Council. Joy is the Director of Regional Services for the Mississippi Development Authority in Jackson.

Stephen Surlles Jr. was recently elected to the Board of Directors for the Mississippi Economic Development Council. Stephen is the Executive Director of the Union County Development Association in New Albany.

Ronnie Pritchard retired from Ingram Materials Company on January 18th. Ronnie has formed a consulting company specializing in barge, rail, truck, and aggregates but has committed to remain active in the Council.

Neel-Schaffer Engineers & Planners Inc. was recently named as one of the "Top 40 Fastest Growing Companies" in the State of Mississippi by the Mississippi Business Journal. The company is Mississippi's largest engineering and planning firm and one of the largest in the southeastern U.S. *CE News* recently named the firm as one of the nation's best places for engineers to work. Council members associated with the firm include **Nick Ardillo** and **Joey Hudnall**.



Mr. Bud Phillips, Mr. Nick Ardillo and Mr. Mike Tagert recently visited with **Mr. Alan Harper**, Economic Developer for the City of Aliceville, AL, and member of the Alabama House of Representatives. The purpose of the visit was to discuss funding and the proposed Federal Prison project to be located in Aliceville.



Martha Segars of Iuka, Mississippi, received the Volunteer of the Year Award from Mississippi Bureau of Tourism Director **Craig Ray** on February 19, 2008, at a ceremony in Jackson.

Welcome New Members

Alan Peeples

Alabama Power Company
Birmingham, Alabama