

Tennessee-Tombigbee Waterway Development Council



NEWSLETTER

March 2007

Phone: (662) 328-0812
FAX: (662) 328-0363

Federal Funding

Project	Appropriation FY2006	FY 2007 Estimate	Pres. Budget FY 2008
Tenn-Tom	\$24,000,000	\$22,588,000	\$21,848,000
Wildlife Mitigation	\$2,000,000	\$1,462,000	\$1,967,000
BWT	\$22,117,000	\$21,093,000	\$20,948,000
Total	\$48,117,000	\$46,250,000	\$44,763,000

The Tennessee-Tombigbee Waterway Development Authority has asked the Congress to appropriate \$32.5M in FY08 for the Tenn-tom. This includes operation and maintenance, wildlife mitigation and \$5M for mooring cells near Columbus, MS

Most of federal government, including the Corps, will operate under a Joint Continuing Resolution for most of FY 2007. The proposed budget for FY-08 includes \$52M for continuation of the Kentucky Lock. It will be a month or so before final estimates for FY-07 will be known but the Corps expects that it will be between \$15 million and \$31 million. Hopefully this level of funding will keep the project on a fast track but lower levels increase the risk of not being able to fund all the critical activities and will increase cost impacts to the superstructure contracts. These disruptions will ultimately increase the total cost of the project.

The Nashville District will also get funding for Chickamauga at \$35 million for FY-08 and \$24 million for FY-07. Funding levels on this scale can keep the Kentucky and Chickamauga Locks on reasonable schedules.

Proposed User Fees

Mr. Charlie Haun, Council director and member of the Waterway Users Board, reported at the Council board meeting on February 13th that the legislation on the barge user fee has not been submitted to Congress and that the proposal is still under

development. Additional analysis would need to be completed to determine the exact form of the fee and its amount as well as coordination with other agencies, such as the Department of the Treasury, Department of Transportation, Committee on the Marine Transportation System and coordination with the inland waterway stakeholder community to seek their input before completion of the legislative proposal.

The barge user fee could replace the inland waterways fuel tax and could include phasing during a transition period.

The Administration believes that a user fee is a more appropriate vehicle for funding inland transportation infrastructure than a tax increase. It believes a barge lockage fee would result in a better linkage of the payment for waterway infrastructure with the actual utilization of the infrastructure than a fuel tax and be more consistent with the user-pays principle.

A news release indicated that the existing tax covers only 10 percent of the total costs that the Corps incurs to make barge transportation possible on the inland waterways system. This does not suggest that the user fee will be structured to recover 50 percent of both capital and operation and maintenance costs of the system. The lockage fee would be deposited in the Inland Waterways Trust Fund and used to fund 50 percent of the construction of inland and intracoastal waterway improvements and the rehabilitation of the existing infrastructure as authorized. There would be no change in the use of the Inland Waterways Trust Fund.

The exact amount, form, applicability, and other details of the barge fee are under development including a refinement of the estimates of future inland and intracoastal waterway needs and projection of future waterway traffic including considerations of the impacts of a fee.

Mr. Haun stated that we would be working with our Federal partners and the inland waterway users and stakeholder's community including the Inland Waterways Users Board as the details are being developed.

The Council and Authority have gone on record in opposition to this proposal.

Alabama Sturgeon • On February 8, 2007, the United States Court of Appeals of the Eleventh Circuit issued a disappointing decision in the Alabama-Tombigbee Rivers Coalition's lawsuit challenging the U. S. Fish and Wildlife Service's decision to list the Alabama sturgeon as an endangered species under the Endangered Species Act. This lawsuit arose from FWS' decision in 2000 to list the Alabama sturgeon as an endangered species contrary to law and sound science. The Coalition filed its complaint in federal district court in Birmingham in January of 2001, arguing, among other things, that the FWS utilized an unlawful process in making its listing decision; that the Alabama sturgeon is not a unique species, separate and distinct from the Mississippi shovelnose sturgeon; and that the listing decision was unconstitutional.

The Coalition met in Montgomery in the office of Balch & Bingham on March 6th to discuss the ruling and what direction to take in view of the decision. Jeffery Wood, with Balch & Bingham, offered a brief overview of the history of the litigation, discussed the Eleventh Circuit's opinions, and offered a list of the Coalition's options for the days ahead. In summary, he was convinced that the Eleventh Circuit's decision is incorrect,

the likelihood of prevailing on the scientific issues on rehearing or before the U. S. Supreme Court compels him to advise the Coalition to forego pursuing that claim further. However, there is reason to believe that the Eleventh Circuit's decision on the two remaining issues could be overturned. With respect to critical habitat claim, The Eleventh Circuit's interpretation of the statute and legislative history is simply wrong and creates an unworkable listing/critical habitat designation process. With respect to the constitutional claim, the court adopted the most limitless theory possible to find the listing decision to be a valid exercise of federal power to regulate interstate commerce. He felt that there is reason to believe that a majority of the judges on the Eleventh Circuit would disagree with the panel on that issue. He felt that there is no reason to believe the U. S. Supreme Court would agree to hear such a claim.

If the Coalition were to choose not to move forward with its appeal, the opportunity to undo this unlawful listing decision will be lost and critical habitat will soon be designated. On the flip side, continuing the legal battle would, at the least, delay the designation of the critical habitat for the Alabama sturgeon, which the district court ordered to be proposed within one year of the conclusion of any appeals in this litigation.

It is felt that the only options are to appeal for a rehearing from the three-judge panel which is highly unlikely, or appeal directly to the US Supreme Court, which is infinitely more expensive, or to drop the case altogether. The latter opinion leaves us vulnerable to any vagaries the Fish and Wildlife Service may be able to foster through the Endangered Species Act and would mean the Fish and Wildlife Service would commence immediately to designate critical habitat for the non-existent fish. The general feeling is that we have spent too much time and money to not make another attempt to stop the Fish and Wildlife Service.

The Coalition voted to authorize Balch & Bingham to file a "petition for rehearing en banc" asking the entire Eleventh Circuit to reconsider the February 8th decision. In particular, Balch & Bingham intends to ask the entire court to rehear the constitutional issue, i.e. whether the listing decision was a valid exercise of the federal government's Commerce Clause power. The appeal must be submitted by March 26.

Industrial Development

SeverCorr • Since the Council annual meeting last summer, some of the projects that were discussed on the Tenn-Tom are almost complete. The SeverCorr mill in Columbus is still on target to go on line shortly after mid- year. It is actually ahead of schedule. The pickling line, responsible for chemical cleansing hot roll steel before processing, is already in operation. They are planning to produce 1.5 million tons of steel per year starting this year with plans to double that in the near future. The mill will produce hot roll, hot roll pickled and oil, cold roll, and galvanized coils. SeverCorr plans to target manufacturers of appliances, automotive, heavy trucks, trailers, and metal buildings.

Tupelo lands Toyota • Toyota Motor Corporation announced earlier this month that it would locate its eighth vehicle assembly plant in North America at the TVA Certified Wellspring Megasite near Tupelo.

The Highlander sport utility vehicle will be built in Tupelo beginning in 2010 at the \$1.3 billion plant.

ThyssenKrupp • A \$400 million industrial incentives package, set for approval by the Alabama Legislature is only part of the lure the state is using to try to land a German steel company that is also considering Louisiana.

The Senate Finance and Taxation-General Fund Committee approved a version of the incentives package that had also passed the House.

A site about 25 miles north of Mobile is competing with a location between New Orleans and Baton Rouge for the \$2.9 billion mill that will employ 2,700. The state plans to use the \$400 million incentives package to recruit the steel plant and other industries. The \$400 million, which could be used for roads, site preparation, job training and other incentives, is not the only ingredient in the state's economic development package. The county and city governments near the proposed site are also expected to chip in funding. This along with property tax breaks and income tax abatements could push the total package near \$1 billion over the next 20 years.

ThyssenKrupp could also use \$900 million in Gulf Opportunity Zone bonds for low-cost plant financing.

TEPPCO • TEPPCO has announced that it will construct a new 500,000-barrel terminal in Boligee, Alabama, on an 80-acre site which TEPPCO is leasing from the Greene County Industrial Development Board under a 60-year agreement.

The Boligee terminal site is located approximately two miles from Colonial Pipeline. When complete, the facility will offer intermodal capabilities, including access to rail, pipeline, truck and barge transportation. This new terminal is expected to begin service in the fourth quarter of 2007

Industry leaves Port Itawamba • The largest shipping customer at Port Itawamba notified port officials that they would be pulling their business. The decision to leave Port Itawamba came from the company's recent acquisition of Omega Motion.

Super Sagless has been associated with Port Itawamba for almost 20 years and accounts for 35 percent of the total revenue at the port. The port unloaded and warehoused steel coils for the company, which would then send their trucks to the port to be loaded as steel was needed.

News from the U. S. Army Corps of Engineers

LTG Robert L. (Van) Antwerp



President Bush
LTG Robert L
of Engineers. His nomination will be considered by the Senate in the near future.

General Carl Strock will continue to serve as the Chief throughout the confirmation process.

has announced the nomination of
(Van) Antwerp to be the 52nd Chief

Lieutenant General Robert L. Van Antwerp assumed command of the U.S. Army Accessions Command (AAC) on 21 November 2004. Located at Fort Monroe, VA; and U.S. Army Training Center, Fort Jackson, SC. Additionally, General Van exercises Department of the Army (DA) directed executive agent authority over the Military Entrance Processing Command. He also serves as Deputy Commanding General for Initial Military Training (IMT), U.S. Army Training and Doctrine Command. As Commander of AAC, General Van is responsible for the integrated command, control and coordination of the Army's officer, warrant officer and enlisted accessions process from initial contact through completion of IMT. He is responsible for meeting accessions goals for both officer and enlisted personnel, managing and conducting recruiting operations, developing IMT policy, developing direct commission and appointment policy, and overseeing IMT programs.

Prior to his current assignment, General Van was Commanding General, U.S. Army Maneuver Support Center and Fort Leonard Wood/Commandant, U.S. Army Engineer School, Fort Leonard Wood, MO. Other command assignments include: South Atlantic Division, U.S. Army Corps of Engineers; Los Angeles District during the Northridge Earthquake of 1994; and the 326th Engineer Battalion, 101st Airborne Division (Air Assault) during DESERT SHIELD/STORM. Previous staff assignments include: Assistant Chief of Staff for Installation Management; Executive Assistant to the Vice Chairman, Joint Chiefs of Staff; Chief of Staff, U.S. Army Corps of Engineers; and Associate Professor of Mechanical Engineering at West Point.

General Van graduated from the U.S. Military Academy in 1972. He holds a Master of Science in mechanical engineering from University of Michigan and a Master of Business Administration from Long Island University, NY. He completed Ranger, Airborne, and Air Assault training, the Engineer Officer Basic and Advanced courses, Command and General Staff College and the Army War College. He is a Registered Professional Engineer in Virginia.



The Mississippi Department of Transportation has awarded a grant to establish a Tennessee-Tombigbee Waterway Transportation Museum. The museum will be located at the headquarters of the Tenn-Tom Waterway Development Authority in Columbus, MS. The Authority was the recipient of the MDOT grant, but the Transportation Museum has been chartered as a non-profit 501(c)3 entity. Financial contributions are now being solicited to help administer the facility. Benefactions are tax deductible. The museum will display a treasure trove of items, events, and other historical information about the Tenn-Tom region's transportation systems, with special emphasis on the waterway. Its exhibits will be periodically changed to provide a continuing source of new and educational information for its attendees. For more information contact museum@tenntom.org.

News about Members

Allen Harper, newly elected member of the Alabama House of representatives, District 61, will be serving on the Agriculture & Forestry committee and is chairing the subcommittee on Petroleum & Waterways Commerce committee. He is also chairing the subcommittee on Economic Development on Boards & Commissions committee.

Governor Haley Barbour has appointed SeverCorr executive **Eddie Lehner** to the State Workforce Investment Board. The board is in charge of developing a strategic plan

to align workforce development resources and structures to more effectively meet the demands of Mississippi's employers and job seekers.

The Tishomingo County Board of Supervisors approved naming the luka airport for **Kelly Segars**, long-time physician, banker, and avid pilot. Dr. Segars serves as Chairman of the Tishomingo County Airport Commission. He is also a member of the Tennessee-Tombigbee Waterway Development Council.



Gray Swoope, has been named Executive Director of the Mississippi Development Authority replacing Mr. Leland Speed. Swoope directs the Agency's [Economic Development Group](#) focusing on traditional business recruitment and retention; and minority and small business, tourism and export development efforts.

Swoope most recently served as President of the Area Development Partnership in Hattiesburg. He brings nearly 20 years of experience to MDA in coordinating economic development projects on the local level as well as managing both projects and people across the state. Swoope was named one of the Top 10 Young Economic Developers by Site Selection Magazine and one of the Top 40 under 40 by the Mississippi Business Journal. He has served on the Board of Directors of the Southern Economic Development Council, the Hattiesburg Downtown Association, and the University of Southern Mississippi's Partner for Arts and as President of the Mississippi Economic Development Council.



Melissa Cook has been named vice president of the chamber division and **Brenda Lathan** has been named vice president of Economic Development of the Columbus-Lowndes Development Link.

Ms. Cook previously served as president of the Arab Chamber of Commerce in Arab, Alabama, and Ms. Lathan served as Link's director for Business Development and Research.



Brenda Lathan

Steve Bunnell has been named CEO for Team Hardin County, TN replacing Jerry Hunt who retired earlier in the year.

In Memory of



Allen Layson, a member of the Tennessee-Tombigbee Waterway Development Authority Board of Directors since 1991 passed away on January 5, 2007 at his home in Reform, AL. He was a University of Georgia graduate with a Bachelor of Science degree, a U. S. Army veteran of the Korean Conflict and a member of the Reform, AL First United Methodist Church. He was a former employee with Bowaters Paper Corporation for 13 years, Weyerhaeuser for 17 years, and

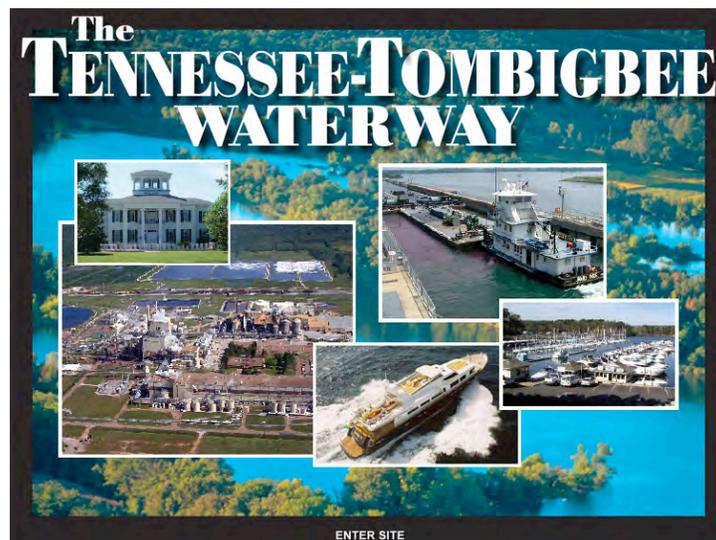
served as a member of the Alabama House of Representatives for 20 years.

Mr. Bob Patterson, former alderman for the City of Aberdeen, MS and a longtime friend and supporter of the Tennessee-Tombigbee Waterway passed away on March 7th at the age of 86. **James Mock**, a member of the Tenn-Tom Tourism Association, Rural Tourism Conference Planning Committee and the Tennessee-Tombigbee Waterway Development Council passed away on Friday, January 5, 2007 following a massive heart attack.

James was the director of the University of West Alabama's Regional Center for Community and Economic Development since the program began in 2003. He was recently named president of the Demopolis Canebrake Players, a community acting troupe. He was largely responsible for establishing the center as a major player in the development of business and industry, workforce and leadership training through the region.

He received his bachelor's degree in Psychology and his master's in Economic Development from the University of Southern Mississippi. He was working towards his doctorate in International Development at the time of his death.

Jim Moak, director of Ports and Waterways Division of the Mississippi Department of Transportation has announced his retirement. **Wayne Parrish** of MDOT, with a wealth of knowledge and experience in intermodal planning, will success Jim.



The Tenn-Tom launched its new website this week. Please go online to www.tenntom.org and view you community information on this site and notify the staff if you have changes/corrections or additions.

Information on the annual Development Opportunities Conference is included on the website under **News**. Registration can be printed out and mailed to the office.

Membership Handbook Change

***Fred Rickert, Domtar Paper Company, P. O. Box 130, Hawesville, KY 42348
Phone: (270) 927-7218, Cell: (662) 315-2462, Email: fred.rickert@n.domtar.com***