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Tennessee-Tombigbee Waterway Development Council **NEWSLETTER**

March 2009

G & G Steel recently announced it will come to the Tri-State Commerce Park in Tishomingo County, Mississippi. G&G Steel, based in Russellville, Alabama, seeks to renovate a building with help from a \$650,000 grant from the Mississippi Development Authority. The undertaking will also receive a \$300,000 grant from Tishomingo County. Initially, the luka site will employ 30 people, but the operation could create as many as 140 jobs. In his January announcement of the plans, Tishomingo County Board of Supervisors President **Brandon Grissom** described G&G Steel as “a strong company that has never had a layoff.”



The location was selected, in part, because of the availability of barge transportation via the Tennessee-Tombigbee Waterway. As Tishomingo County Development Foundation Executive Director **Gary Matthews** said, “The Tenn-Tom Waterway was pivotal in the decision of G&G Steel to locate at the Tri-State Commerce Park. The gigantic steel fabrications manufactured by G&G Steel can only be transported by water. With the rising costs of highway and rail transportation, water is by far the most cost-effective mode of transportation.”

The building is already equipped with two 200-ton cranes to assist in the loading of such heavy products.



G&G Steel was formed in 1975 and produces large component parts for locks, mining equipment and bridges. One of the company's recent bridge projects acquired national attention when it was featured on the aptly-named Discovery Channel program, *Really Big Things*, which explores a variety of large-scale industrial and engineering endeavors. The show followed the process from fabrication to shipping to installing the 3rd Avenue Bridge in New York City. When construction was complete, the bridge was wide enough to accommodate four lanes of traffic. The parts were manufactured both in Russellville and Cordova, Alabama, where the company has a sister facility. The bridge was then transported by water to New York, and some assembly occurred during the two week trip. The 3rd Avenue Bridge provides a direct link to Yankee stadium and has been replaced four times.

FY2009 Omnibus Appropriations Update

At the time of printing, the following highlights the expected Congressional omnibus funding for the Army Corps of Engineers for FY2009:

- Construction \$2.1 billion
- Operation and Maintenance \$2.2 billion
- Investigations \$168 million
- Mississippi River and Tributaries \$383 million
- Regulatory Reform \$183 million

To address the funding shortfall in the Inland Waterways Trust Fund (IWTF), the draft bill provides that only nine inland waterway projects will have access to IWTF revenues in fiscal year 2009. These are: Chickamauga Lock, Tennessee; Kentucky Lock and Dam, Tennessee River, Kentucky; Lock and Dams 2, 3, and 4, Monongahela River, Pennsylvania; Marmet Lock and Dam, West Virginia; McAlpine Lock and Dam, Kentucky and Indiana; Olmsted Lock and Dam, Illinois and Kentucky; Gray's Landing Lock and Dam, Pennsylvania; R.C. Byrd Lock and Dam, Ohio and West Virginia; and Point Marion Lock and Dam, Pennsylvania.

The report language provides additional direction with respect to development of the 2010 budget proposal, noting that the administration should submit the fiscal year 2010 budget

based on expected revenues in the IWTF, not projections predicated on legislation that may or may not happen. The report further states that if the budget is submitted utilizing the same assumptions for the IWTF that the administration made for FY09, spending will be curtailed on all inland waterway projects in fiscal year 2010 to a level that fits within the IWTF estimated revenues.

Finally, the report notes that “the policy of sharing the cost of construction and major rehabilitations between the IWTF and the general fund makes the users active partners in the overall inland waterway system and provides for a better, more efficient system. As the Congress pays the full cost of the operation and maintenance of the inland waterway system, the capital costs are properly shared at 50 percent by the beneficiaries.”

FY10 Appropriations Update

On February 26th, the White House released a summary of the President’s FY2010 budget. Few details are available with the full budget expected to be released in mid-April. The budget proposes to fund the Army Corps of Engineers Civil Works program at \$5.1 billion. Similar to last year’s budget proposal, the budget would phase out the current fuel tax used to fund the IWTF and replace it with a lock usage fee. The specific language is set forth below, as well as in the attachment. From the President’s Budget: “The Budget proposes \$5.1 billion in discretionary budget authority in 2010 for the Army Corps of Engineers civil works (Corps) program. The Budget also will propose to phase out the current excise tax on diesel fuel for the inland waterways and replace it with a lock usage fee, designed to improve economic efficiency and preserve the landmark cost-sharing reform established by the Congress in 1986, while supporting investments in construction, expansion, replacement, and rehabilitation work.”

Mississippi Investment Petroleum Company



The Aberdeen port, located in Monroe County, is seeing continued growth during times of economic downturn. In January, Aberdeen **Mayor Jim Ballard** announced that Mississippi Investment Petroleum Company (MIPCO) plans to build a biodiesel refinery on the Tennessee-Tombigbee Waterway. A \$12M capital investment will boost the area’s economy, as will the creation of 32 jobs. The first of three phases of construction should be completed mid-summer 2009.

The 6.8 acre site was selected in 2008 and will use custom-fabricated refinery equipment, most of it manufactured in the United States. As **Mayor Ballard** stated, “The Port of Aberdeen on the Tennessee-Tombigbee Waterway provides efficient access to MIPCO for transportation of its finished biodiesel product, which was a key element in site selection for the company. Given the growing expense of rail and highway transportation, shipping by barge is a more cost-effective method.” MIPCO is based in Madison, Mississippi and was created in 2008 by executives in the fields of petroleum, technology and biodiesel to improve the current fuel supply conditions. As an added benefit, IRS Form 4436 allows for a \$1 tax refund for each gallon of B100 biodiesel fuel customers purchase.

MIPCO biodiesel is composed of non-edible, inexpensive feedstock, such as poultry fat. Independent studies have shown that the process used by MIPCO is likely to yield more

thorough combustion and can increase fuel mileage. Generally, biodiesel is produced as a result of a reaction between a vegetable oil or animal fat and an alcohol, such as methanol or ethanol, in the presence of a catalyst. This reaction will yield mono-alkyl esters (the fuel product) and a by-product, glycerin, which is removed. Finished biodiesel is readily useful in most diesel engines with little to no accommodations necessary, when it is combined with petroleum-based diesel in appropriate concentrations.

At the end of its first phase, MIPCO is expected to produce eight million gallons of biodiesel annually. Twenty million gallons per year should be produced during phase two. The ultimate goal is 30 million gallons by phase three, and operation is slated to run year-round to meet expectations.

Located near a petroleum facility, MIPCO will give customers public access to pumps to “short-load” with regular diesel fuel and “final load” a blend of more environmentally-safe biodiesel fuel.

SSAB Announces Expansion in Alabama

SSAB is expanding its Axis, Alabama (pictured below) location with a \$460M investment. Construction will begin in 2009 and continue for the next couple of years. An estimated 180 new jobs will be created, and production is expected to increase from the current 100,000 to 400,000 metric tons of quenched and tempered steel.



Most of the jobs will be in the fields of machine operation and maintenance. Already recognized as a leading producer, SSAB manufactures steel plate to be used in areas of construction where commercial-grade steel may not be strong enough. Vice President of operations for SSAB North American Division **Paul Wilson** said, “The Axis plant is easily accessible to rivers, trains and the docks for exporting, making it very attractive for industry.”

New Crouse Corporation Headquarters

Paducah, Kentucky is now home to the new Crouse Corporation Headquarters. The energy-efficient facility is valued at \$4.5M and was made partly from recycled materials. Its climate control design features highly reflective windows and a heating and cooling system that efficiently distributes energy. The building is the only LEED (Leadership in Energy and Environmental Design) certified facility in West Kentucky.



Crouse recently celebrated its 60th anniversary, and currently employs 350 people. With a fleet of 30 towboats and 948 barges, the company transports 30M tons of cargo annually.

ThyssenKrupp Announces Temporary Delay

ThyssenKrupp announced in January that construction will be delayed on its new facility in Alabama. According to Alabama **Governor Bob Riley**, “The announcement of a delay is disappointing but understandable given current economic conditions. ThyssenKrupp is still committed to the project and this decision does not delay the plant’s construction. There are about 2,000 people working to build the plant now and that’s expected to grow to 10,000 in the next six months. Alabama is incredibly excited about ThyssenKrupp and the thousands of new jobs the company will create in our state.”

Changes are being made to cope with the current economic downturn, especially given the reduction in demand and prices for steel. The original plan was to begin production during the fourth quarter of 2009. However, company officials have reassessed for the fourth quarter of 2010, instead.



Alabama **Governor Bob Riley**, President and CEO of ThyssenKrupp Steel USA **Bob Soulliere**, and Alabama State Port Authority CEO **James Lyons**, from left, speak Thursday,

Feb. 19, 2009, in Mobile, Ala., at the slab-loading dock being constructed for use by ThyssenKrupp's new steel mill.

ThyssenKrupp's project has been referred to as the South's largest industrial project in years, and could perhaps be the largest private investment in the nation's history. The 3,500-acre facility will be a \$3.7B investment. The company will run production 24 hours a day and employ 2,700 people when production begins.

The construction on the Alabama State Port Authority's terminal will not be effected by the delay, according to **Mary Mullins**, a spokesperson for ThyssenKrupp. When completed, the terminal will accommodate 3,000 tons of steel slabs per day, which will be barged up river to a terminal under construction at the company's Calvert plant.

Panama Canal Expansion



During a time of economic set-backs, the Panama Canal Expansion is proceeding as planned and within its budget. The canal is expected to double its capacity in approximately five years, making the project perhaps the largest Latin America has ever seen. The expansion will make it possible for container ships measuring 366 meters long, 49 meters wide and 15 meters deep, with a cargo volume no greater than 170,000 DWT or 12,600 TEUs to traverse the canal. Even with the expansion underway, the Panama Canal Authority (ACP) continues to provide safe, efficient, and reliable service to its customers.

Five agencies are helping to fund the project. The Corporacion Andina de Fomento, the Inter-American Development Bank, the Japan Bank for International Cooperation, the International Finance Corporation and the European Investment Bank will provide \$2.3B of the needed \$5.25B for the expansion.

The expansion received the following awards in 2008: "Best Long Term Performance Project" and "Strategic Project of the Year" from Capital Growth/Longterm Assets (CG/LA) of the Washington, D. C. Infrastructure Latin-American Forum. In addition, the project was recognized as the "Most Significant Project in the World" by Samoter International, an International Triennial Earth-Moving and Building Machinery publication.

News About Members

Parker Towing Employee Curtis Taylor Recognized For 36 Years of Service



In October of last year, Parker Towing christened a renovated boat and showed appreciation for a long-time employee. The **M/V Curtis Taylor** is named in honor of a man who began his career in 1972 as a student at the University of Alabama. Over time, he was promoted to engineer and later trained as a pilot. The M/V Birmingham was the first vessel he commanded, followed by the M/V Thelma Parker, M/V Alison Haun, and most recently the M/V Thelma Parker II. Mr. Taylor was joined by his wife, Jackie, who officially christened the boat, and their daughters, Jessica and Lori. The newly christened boat was built in 1975 by Scully Brothers Boat Builders and was originally named the Jimmie L.

Parker Towing Promotes Huckabee and Lowros



Parker Towing has announced the promotion of **Terah Huckabee** and **Tony Lowros**. Huckabee has been named Vice President of Operations and Port Captain and Lowros was promoted to Traffic Manager. "Terah and Tony have been great assets for our company," stated **Tim Parker**, CEO. "Both of them are vital to our operations and will make even more significant contributions in these new positions," added **Charlie Haun**, President.

Huckabee joined Parker Towing in 1973 and has served in all positions on various Parker vessels, attaining the rank of captain in 1983. In 1990, he became Port Manager of the Port of Naheola and Manager of Port Operations in 1994. He was named Vice President Terminal Services in 1996 until becoming Vice President of Operations and Port Captain earlier this year.

Terah Huckabee is a member of the Inland Rivers Ports and Terminals Association (IRPT) and is currently serving on the Board of Directors and as its Southeast Rivers Basin Chairman. He also serves on the Board of Directors and Executive Committee of the National Waterways Conference. He is active in the Warrior Tombigbee Waterway Association and Tennessee Tombigbee Waterway Association. He is currently licensed by the U.S. Coast Guard as a Master of Towing Vessels upon Great Lakes, Inland Waters and Western Rivers.



Tony Lowros joined Parker Towing in 1995 as Port Manager of Hardin County Port and became Traffic Coordinator in 1997. He has over thirty years experience in the transportation industry in both inland river logistics and terminal management. He is active in the Greater New Orleans Barge Fleeting Association and the Gulf Intracoastal Canal Association.

Parker Towing is a regional barge company based in Tuscaloosa, Alabama and one of the leading inland carriers of dry bulk commodities. A family-owned business established in 1940, Parker Towing has a fleet of 18 towboats, 265 owned and chartered barges and seven commodity loading ports. The company ships about 12 million tons of commodities per year, consisting of coal, iron, steel, forest products and building materials including cement and clinker.



Ron Coles has announced he is re-establishing W. R. Coles and Associates as of December 27, 2008. Between 1990 and 2005, Coles' firm provided market assessments, multimodal transportation logistics studies, planning and engineering services for over 117 port and economic development projects, in 22 states. After a successful 15 years in practice, WRCA merged with Hanson Professional Services in 2005. In December 2008, however, the firms separated as friends and once again operate as independent entities. "We concluded that a restructuring of the relationship would provide more flexibility to serve the needs of our respective clients," says Ron Coles,

Principal for W. R. Coles and Associates. "We have great respect for Hanson and plan to team with them on certain projects in the future." Recent projects for Coles include the Alabama Freight Mobility Study, an intensive look at container trade and potential for container-on-barge movements on the Tenn-Tom, completion of construction for a new river port in Ohio and other projects with local port authorities, state departments of transportation, US DOT, and private industries. "Our focus is helping each client meet its unique business objectives." Coles continues, "We provide benefits of experience, perspectives and lessons learned on projects throughout the inland waterway system." Coles currently serves on the Board of Directors for the Tenn-Tom Council and has served as a gubernatorial appointee on the Tenn-Tom Authority Board. For more information, contact Ron Coles by email ron@wrcoles.com, telephone 615-594-15765 or US Mail at W. R. Coles and Associates, Post Office Box 159266, Nashville, TN 37215. The web site is www.wrcoles.com.



The newly opened **Mobile Container Terminal** received its first vessel, the *Blue Whale*, on January 2, 2009. The 965-foot-long ship, which is owned and operated by CMA CGM, is a "Panamax" vessel, which means it is the largest size ship that can currently travel the Panama Canal. "We are certainly pleased with the recent addition of the CMA CGM vessels at the Mobile Container Terminal (MCT) facility," said **James Lyons**, director and CEO of the Alabama State Port Authority. The Mobile Container Terminal is a joint venture between APM Terminals North America, Terminal Link (a division of CMA CGM) and the Alabama State Port Authority. The facility opened in October 2008.



Jennifer Berryman has joined the staff of the Tenn-Tom Waterway Development Authority as an executive assistant. We welcome Jennifer and look forward to working with her.



On January 23, the Alabama Power Board of Directors elected **Matthew W. Bowden** as the replacement for retiring **Willard Bowers**, Vice President in charge of Environmental Affairs. Formerly a partner of Balch & Bingham LLP, Mr. Bowden has experience in environmental

and natural resources law, state governmental regulations, and energy law. We wish Willard the very best in his retirement and look forward to working with Matthew.

Sympathy

Former Tennessee-Tombigbee Waterway Development Authority Board member **Paul Callens**, of Savannah, Tennessee passed away on January 14, 2009. Mr. Callens served on the Authority Board during Governor Ned McWherters' administration. Our condolences go to the Callens family.



U. S. Army Corps of Engineers

Proposed Lock Closures:

Nickajack Lock	April 21 – May 12, 2009
Chickamauga Lock	April 27 – May 10, 2009
Guntersville Main Lock	June 2 – June 23, 2009
	(Auxiliary will be available)
Wilson Main Lock	July 28 – August 25, 2009
	(Auxiliary will be available)
Selden Lock	September 9 – October 8, 2009
Coffeeville Lock	September 11 – October 1, 2009
Bankhead Lock	September 14 - October 4, 2009
Old Hickory Lock	October 27 – November 17, 2009



In January, the Corps of Engineers conducted a series of public hearings related to the ongoing problem of invasive aquatic weeds within the waterway system. Locations were as follows: in Columbus, MS at Plymouth Bluff, in Fulton, MS at Whitten Welcome Center, and in Carrolton, AL at Pickens County Service Center. The key representatives for the Corps were **Mr. Nick Baggett**, Natural Resources Manager and **Mr. Danny Hartley**, Supervisory Wildlife Biologist. Information was presented about the many different types of aquatic plants, as well as the measures to be taken by the Corps for management and the permit process. For further information or to report a problem, please contact Nicholas Baggett (662- 327-2142, extension 280, nicholas.s.baggett@sam.usace.army.mil); or contact Danny Hartley (662-327-2142, extension 281, danny.r.hartley@sam.usace.army.mil).



The new mooring facility in Columbus, MS, on the left descending bank of Mile Marker 329 is now open for business on a first come, first serve basis. For more information contact **Mr. Allen Brewer** by telephone at (662) 327-2142.

Alabama Freight Mobility Meetings

Meetings are scheduled for March 18, 2009 in Mobile, Alabama and March 25, 2009 in Muscle Shoals, Alabama to discuss the advantages of container-on-barge service in Alabama and surrounding states. The Coalition of Alabama Waterway Associations (CAWA) will report the findings of its Alabama Freight Mobility Study. All freight forwarders, ocean carriers, towing companies, transportation directors, economic development organizations, and anyone interested in an alternate way to move containers are invited to attend. For more information and to register for these meetings, please contact **Mrs. Agnes Zaiontz** at the Council office at 888-TENN-TOM, www.tenntom.org or email: azaiontz@tenntom.org.

Mark Your Calendar

**2009 Development Opportunities
Conference
August 25 – 27, 2009
Marriott's Grand Hotel
Point Clear, Alabama
Reservations: (800) 544-9933
\$149.00 per night Code: TTWTTWA**

FORTHCOMING EVENTS

March 9 – 11, 2009 ☞ National Waterways Conference 2009 Budget Summit. The Phoenix Park Hotel, Washington, D. C. For reservations call: 1-800-824-5419 or reserve online at www.phoenixparkhotel.com. Group Code 12602. Contact: (703) 243-4090 or info@waterays.org

April 29 – May 1, 2009 ☞ Inland Rivers, Ports & Terminals Annual Conference, Drake Hotel, Chicago, Illinois. Contact: admin@irpt.net

May 7 – 9, 2009 ☞ Warrior-Tombigbee Waterway Association Annual Meeting, Tuscaloosa, Alabama. Contact: WTWA (251) 431-9055 or email Warrriortom@aol.com

August 5 – 7, 2009 ☞ Joint Mississippi Water Resources Association - Mississippi Water Resources Research Institute Annual Conference . Harrah's Grand Hotel, Tunica, Mississippi www.mswater.org.

August 25 – 28, 2009 ☞ Tennessee-Tombigbee Waterway Development Opportunities Conference. Marriott's Grand Hotel, Point Clear, Alabama. Contact: Agnes Zaiontz (662) 328-3286 or email azaiontz@tenntom.org

September 6 – 9, 2009 ☞ SmartRivers Conference: Vienna, Austria. Contact: Otto Schwetz, email: Otto.schwetz@tinavienna.at or www.smartdrivers.org

September 9 – 11, 2009 ☞ 2009 Alabama Water Resources Conference Perdido Beach Resort, Orange Beach, Alabama. Contact: Auburn University (334) 844-4132 or email: stonemk@auburn.edu.

October 2 – 4, 2009 ☞ Trash & Treasures along the Tenn-Tom - 234 miles of Yard Sales. Contact: (800) 386-4373 or (800) 457-9739

October 26 – 28, 2009 ☞ Alabama-Mississippi Rural Tourism Conference. Holiday Inn, Sheffield, Alabama (256) 381-4710. Contact: Tenn-Tom Tourism Association at (662) 328-8936 or (800) 457-9739 or email azaiontz@tenntom.org

