

Tennessee-Tombigbee Waterway Development Council



NEWSLETTER

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Freight Mobility Study

The US Department of Transportation (USDOT) predicts US global trade will double between 2005 and 2020. Container volumes through US coastal ports are expected to triple, with major increases throughout the Gulf of Mexico. This dramatic increase in international trade will challenge and saturate the nation's existing road and rail transportation infrastructure. Ports on US east and west coasts will not be able to handle the anticipated shipping volumes. As a result, policy makers at USDOT are focusing more attention on the potential for waterborne transportation to provide valuable capacity for freight movement and to help relieve highway and rail congestion. The inland navigable waterway system has significant unused transport capacity to quickly accommodate higher volumes of freight movement.

With a major new container facility at the Port of Mobile under construction and connection to the heartland of America through its inland waterway system, the State of Alabama is uniquely situated to help meet that challenge. To highlight that capability, the Coalition of Alabama Waterway Associations (CAWA) requested assistance from Senator Richard Shelby to obtain funds to undertake a multi-phase project known as the Alabama Freight Mobility Study (AFMS). CAWA engaged Hanson Professional Associates of Nashville, Tennessee, to assist in conducting the study.

The purpose of the study is to provide shippers with a safe, affordable, and efficient transportation alternative while alleviating road and rail congestion, thus reducing air pollution and safety hazards accompanying increases in road and rail traffic. The ultimate goal is to provide practical advice to public officials and private sector enterprises, which will lead to more efficient integration of our inland waterways into the national freight transportation system.

Phase I of the AFMS report, *Business Perspectives on the Feasibility of Container on Barge Service*, describes business aspects of the global shipping process, provides important background information and analysis regarding container transportation on inland waterways, and includes case studies for potential shipping markets. To facilitate more efficient use of the nation's transportation system including waterways, the inland waterway community needs a better understanding of the global logistics supply chain. Those involved in moving containers globally also need a better understanding of inland waterway transportation as a reliable alternative for moving containers from the Gulf Coast to market areas in America's heartland. Examples of past and existing container-on-barge ventures are described, and the relative success of each is discussed from a business perspective, to identify important lessons learned which can be applied

to future opportunities. The evolving needs of the global logistics community are also described to assist the inland waterways community in being more responsive to those needs.

Two items of note in the report's appendices include a cluster of shippers which were identified along the northern segment of the Tennessee-Tombigbee waterway, and a comparison of the public costs of maintaining highways versus waterways for similar freight transport. A cluster of furniture manufacturers in northeast Mississippi presently receive significant volumes of containers, primarily from the Pacific Rim. Should this cargo enter the US through the Port of Mobile, the connecting inland waterways would provide a modal option for delivering these containerized shipments to the furniture makers in a cost-effective and reliable manner and help relieve highway congestion. The cost of maintaining the Black Warrior-Tombigbee waterway between Mobile and Birmingham in moving 24 million tons in 2004 is compared to the cost of maintaining the road network between those two cities. Significant savings in public costs were achieved because that cargo was moved by barge, rather than moving that same cargo by truck.

For additional information, contact Jerry Sailors with the Coalition of Alabama Waterway Associations in Montgomery, Alabama, at 334-265-5744 or cawa@bellsouth.net.

Phase Two of the study is now underway with an expected completion date of January 2008. This phase of the AFMS study will include a strategic market assessment of the Tenn-Tom and Tennessee River from Columbus, MS to Chattanooga, TN. It will also address the barge industry perspective on container-on-barge operations; the Mobile container terminal operations from an inland waterway perspective and a public information and outreach program about the benefits of the inland waterways of Alabama and the U. S.

Kentucky Riverport Study

The Kentucky Transportation Cabinet has awarded a \$200,000 contract to Hanson Professional Services, Inc. to conduct a Kentucky Riverport Improvement Project. The project will include: development of a statewide port improvement plan based on personal interviews and an analysis of each of the 11

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public port authorities; possible grant or loan programs by the State to help fund needed improvements at the ports; formulation of a riverport marketing plan; and recommendations concerning the State's role to better utilize water transportation to help stimulate economic development, trade, and commerce. The study is scheduled for completion this summer to enable the Administration time to formulate any proposed legislation it may want to offer to next year's session of the Legislature to implement any of the recommendations of the study.

The study is being coordinated with the Kentucky Association of Riverports which is chaired by **Ken Canter**, executive director of the Paducah/McCracken County Riverport Authority and Secretary of the Tenn-Tom Waterway Development Council.

User Fees

The Administration has announced that it will propose new waterway user fees as part of the 2008 budget, possibly in the form of lockage fees. At the present time 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 could 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 that have no locks. The Tenn-Tom Authority and Council have gone on record in opposition to any increase in user fees. The Inland Waterways Users Board met March 27 in New Orleans where all the members signed a letter to Assistant Secretary of the Army, John Paul Woodley, expressing strong opposition to any new user fees.



Members of the Tennessee-Tombigbee Waterway Development Authority recently met in Columbus, MS and presented **Mrs. JoAnn Layson** a gift honoring her late husband, **Allen Layson**. Mr. Layson, a member of the Alabama State Legislature for 20 years, served in many capacities on the Waterway Authority board from 1991 until his death earlier this year.

Left to right: **Mr. Nick Ardillo**, Past Vice Chairman Tennessee-Tombigbee Waterway Development Authority; **Mrs. Martha Stokes**, current Treasurer, **Mrs. Layson**, and **Mr. Bud Phillips**, Board member and Past Vice Chairman and Treasurer.



At the quarterly Board meeting of the Authority held at Lexington, KY in April, **Mr. Ken Wheeler**, the compact's current vice chairman, and **Mr. Bruce Windham** (center) presented **Mr. Nick Ardillo** (right) with a token of appreciation for his service to the Authority as its Vice Chairman during 2006.



The Babcock & Wilcox Company (B&W) is providing absorber tower modules to several powerplants in Ohio and West Virginia for use in wet flue gas desulfurization systems. These systems, more commonly known as scrubbers, remove sulfur dioxide from the emissions of coal-fired power plants. In B&W's wet scrubber systems, flue gases from a power plant's boiler enter the absorber towers and are then sprayed with a mixture of water and limestone. The sulfur dioxide in the gas dissolves in the limestone slurry, undergoes a chemical reaction and forms calcium sulfate. This byproduct is similar to gypsum and can be used in the construction industry, such as for drywall or other building materials.

The modules, which measure about 30 feet tall and 69 feet wide, are manufactured at PSP Industries in Fulton, Miss., and must be shipped by barge because of their size. The above tow is leaving the Fulton lock on the Tenn-Tom on its way to the Tennessee River and eventually to its final destination on the Ohio River. B&W uses flat-deck barges, measuring 300 feet by 72 feet by 18 feet for transporting the equipment. The modules are moved using a roll-on, roll-off operation. The modules are assembled into final form at the plant site. The finished towers, which consist of approximately six modules welded together, will reach a height of approximately 180 feet. Successful modularization of the towers involves extremely complicated logistics and marine engineering coordination with the Army Corps of Engineers, State Departments of Transportation, local authorities and the U.S. Coast Guard.

The Babcock & Wilcox Company is a subsidiary of McDermott International, Inc., an engineering and construction company with specialty manufacturing and service capabilities focused on energy infrastructure. McDermott's customers are predominantly utilities and other power generators, major and national oil companies, and the United States Government. B&W, a world leader in

steam generation systems and equipment for 140 years, is headquartered in Barberton, Ohio and has a facility at West Point, MS near the Tenn-Tom.

Alabama Sturgeon



On March 23, 2007, the Coalition filed a petition asking the entire panel of the U. S. 11th Circuit Court of Appeals to consider whether the FWS decision to list the Alabama sturgeon as an endangered species was a valid exercise of the Commerce Clause of the U. S. Constitution, in light of the fact that the U. S. Fish & Wildlife Services (FWS) conceded the Alabama sturgeon is found only in Alabama; has not been commercially harvested since 1898 and has no present commercial market; and; there is no record evidence that suggests the sturgeon would have any commercial market if the population made a recovery in the future. The petition contended that the three-judge panel's conclusion that the listing decision by Fish & Wildlife Service was constitutionally valid was incorrect.

On May 3rd, the 11th Circuit denied the Coalition's appeal and declined to hear the case. The Coalition's only recourse is to appeal to the U. S. Supreme Court which is under serious consideration.

On April 3, 2007, the Alabama Department of Conservation and Natural Resources caught an Alabama sturgeon in the Alabama River below Claiborne Dam. The fish, a male sturgeon, was in good shape and was taken to the State Fish Hatchery in Marion, Alabama.

On April 17th, the fish was released back to the Alabama River near the area where it had been caught. The biologists implanted a 48-month sonic tracking device in the fish's stomach cavity before its release. In a period of 8 days, the sturgeon had travel downstream a distance of over 30 miles.

News about Members

Jerry Sailors, Executive Director of the Coosa-Alabama River Improvement Association was recently elected first vice president of the Inland Rivers, Port & Terminals and also to an unexpired term on the Board of Directors and Executive Committee of the National Waterways Conference.

Sharon Kvak of the Garick Corporation and a member of the Tenn-Tom Waterway Development Council was also elected to fill an unexpired term on the Board of Directors and the Executive Committee of the National Waterways Conference.

Tim Weston, Vice Chairman of the Tenn-Tom Waterway Development Council has been named Project Manager, TVA Economic Development – Mississippi.



These are girders for the new highway bridge across the TN River below KY Dam – being erected on piers constructed under a previous contract. US Hwy 62 is being relocated off the dam to make room for the new lock. Later this summer, girders will be installed for the new RR bridge that is just 100 feet downstream from this Hwy bridge. This work is part of the \$96M Superstructure Contract that complete the RR and Hwy relocations.

Industrial Updates

SeverCorr: Plans to expand the SeverCorr steel mill near Columbus, MS have been put on a fast track.

About 18 months after breaking ground for the mill at its 1,400 acre site in the Lowndes County Megasite, company officials have now announced plans to accelerate expansion, including the installation of a second production line which will more than double the mill's capacity.

The expansions originally scheduled to begin two or three years after the completion of the first phase of construction, will increase the mill's annual production to 3.4 million tons. The plant will make steel for the automotive, building, agricultural, pipe, and appliance industries. At completion of its initial phase, the plant will produce 1.5 million tons of steel.

Toyota: Mississippi celebrated another milestone with Toyota's announcement to build its eighth North American automotive assembly plant on the Wellspring site near Blue Springs. The company plans to invest \$1.3 billion in the facility and create a minimum of 2,000 jobs with many more

anticipated. Toyota has a great track record of underpromising and overdelivering! The plant will make the SUV Highlander.

ThyssenKrupp: The ThyssenKrupp Group announced May 11 that it will build a new \$3.7 billion steel mill near Mobile, AL. The plant will produce high grade carbon steel and stainless steel.

The state-of-the-art facility will be located on the west side of the Tombigbee River near Calvert, AL at the Mobile and Washington County line.

The plant, when fully operational, is expected to employ 2,700 people, and create 29,000 jobs during its construction.

Alabama and Louisiana waged a fierce bidding war to lure the plant. The total value of the incentive package could approach \$811 million. The facility will manufacture and process carbon steel and stainless for the automotive, packaging, construction, electrical and utility industries, as well as serve manufacturers of appliances, precision machinery and engineered products.

The ThyssenKrupp Group consists of steel, stainless, technologies, elevator and services segments. It has annual sales of about \$61 billion and 188,000 employees in more than 70 countries around the world.

ThyssenKrupp Steel AG is based in Duisburg, Germany and is the holding company for the carbon steel activities of the group. The largest single entity of ThyssenKrupp, it generated sales in 2006 of \$14 billion.

Corps of Engineers



Lt. General Carl A. Strock, relinquished his command as the Chief of Engineers at a retirement ceremony on May 17th at Summerall Field, Ft. Myers, Virginia. General Strock began his career with the Corps as a young captain assigned to the construction of the Tennessee-Tombigbee Waterway during the early 1980's.



Lt. General Robert L. Van Antwerp, Jr. has been nominated by the President as the next Chief of Engineers but his confirmation is on hold in the U. S. Senate. Indications are that, if confirmed, Van Antwerp would serve a full term as the Corps Commander , rather than filling out the remainder of Strock's term.

Van Antwerp has led the Army Accessions Command at Fort Monroe, VA, since November 2004. He is also a former Commander of the South Atlantic Division.

U. S. Coast Guard



U. S. Coast Guard **Captain James Bjostad** will be leaving Mobile for his new post this month for his next assignment in Washington D. C. where he will serve as a deputy in the Director of National Intelligence office. **Captain Edwin Stanton** will assume command of Section Mobile at that time.

Sympathy

Mrs. Thelma Ford Parker, mother of **Tim Parker, Jr.** and **Alice Parker Haun** died on April 9th in Tuscaloosa.

Welcome New Member

Mr. Mark Flynn
Higmon Marine Services, Inc.
Houston, TX