



Tennessee-Tombigbee Waterway Development Council

NEWSLETTER

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• Council Holds Its 23rd Annual Meeting •

This year's annual meeting of the Tennessee-Tombigbee Waterway Development Council was held in Tunica, MS on August 30, followed by the annual Development Opportunities Conference.

During the membership meeting the following members were elected to the Council's board of directors for two-year terms beginning in January 2007. They join 13 other directors whose terms will expire at the end of next year.

Steve Alley, Ingram Barge Lines, Ft. Mitchell, KY

Eugene Bishop, Yellow Creek Port Authority, Iuka, MS

Ron Coles, W.R. Coles & Associates, Nashville, TN

Charlie Haun, Parker Towing Company, Tuscaloosa, AL

Robert Taylor, Taylor Machine Works, Louisville, MS

Jack Herbert, Herbert Sangravl Company, New Johnsonville, TN

Diane Davidson, Tennessee Department of Transportation, Nashville, TN

Jim Loew, Florence/Lauderdale County Port, Florence, AL

Lucien Lott, Cooper Marine & Timberlands, Mobile, AL

Dr. Deirdre McGowan, Mississippi Water Resources Association, Jackson, MS

Tom Murphree, Kinder Morgan, Memphis, TN

Ronnie Pritchard, Ingram Barge Lines, Nashville, TN

Dus Rogers, Jackson County Economic Development Authority, Scottsboro, AL

Scott Waring, Garick Corporation, Cleveland, OH

New officers were also elected to serve a one-year term beginning in 2007. They were:

Chairman – **Steve Alley**, Ingram Barge Co.

Vice-Chairman – **Tim Weston**, Tennessee Valley Authority

Treasurer – **Fred Hansard**, Demopolis Yacht Basin

Secretary – **Ken Canter**, Paducah/McCracken County Riverport Authority

President – **Thomas Griffith**, Tennessee-Tombigbee Waterway Development Council

Past Chairman – **Eugene Bishop**, Yellow Creek Port Authority

Colonel Pete Taylor kicked off the annual program by reporting on the Corps' hurricane recovery mission and its current tasks to determine measures that will protect the coastal communities from future storms. **Wynne Fuller** and **Rick Saucer** followed by discussing some budget policies and project related issues affecting the Tenn-Tom. **Don Getty** of the Nashville District provided a status report on construction of the new locks at Kentucky and Chickamauga Dams on the Tennessee.

The past 12 months have seen record investments by private interests along the waterway. Representatives of three of those companies participated in a panel discussion about Tenn-Tom's unique attractions for industrial development. **Tim Weston**, the Council's newly elected Vice Chairman, moderated the panel.

Gerald Valgora, president of the Roll Form Group, Inc. of Toronto, Canada, spoke about the exhaustive site selection process his company conducted before selecting Yellow Creek Port for its new \$22-million plant. The many locations considered included Buffalo, NY; St Louis, MO; Louisville, KY; and, Gary, IN. Factors that sold the company on the Tenn-Tom included: Yellow Creek Port and its excellent facilities; waterway connections with both northern and southern markets; and, proximity to Ferrous Metals, a major metal processor. The company will make construction products, such as sheet piling.

John Correnti, president of a new steel company, caused a stir at last year's annual meeting when he announced his company's plans to build an \$880-million mill near Columbus, MS. This year, **Eddie Lehner**, CFO for SeverCorr, reported the mill is ahead of construction and expects to be at full production by next summer. The mini-mill will initially make 1.5 million tons of steel for the automotive industry with discussions already underway to double production. From 300,000 to 500,000 tons of raw materials are expected to be shipped by barge increasing to about 900,000 tons. As much as 200,000 tons of finished steel could also be shipped on the waterway.

Mike Ferree, vice president of Southern Ethanol, Inc. of Salida, CO, said his company is in the final stages of securing the finances to build a \$140-million ethanol plant at Amory, MS. The ability to ship as far north as Pittsburgh and south along the Gulf coast via the Tenn-Tom was a primary factor for selecting Amory, according to Ferree. The plant will produce 60 million gallons of fuel-grade ethanol from 23 million bushels of corn, most of which will be sourced from the Midwest.



Those speaking at the opening session of the Council's annual meeting were (L to R): **Rick Saucer**, Tenn-Tom's Operations Manager; **Wynne Fuller**, Chief of Operations for Mobile District; **Eugene Bishop**, Council Chairman, who presided during the meeting; **Lt. Jonathan Mangum** of the Coast Guard; **Colonel Pete Taylor**, Mobile District Commander; and **Don Getty**, Project Manager with the Nashville District of the Corps.



Discussing some of the latest developments on the Tenn-Tom and their economic impacts at the Council meeting were (L to R): **Edward Lehner**, CFO for SeverCorr of Columbus, MS; **Mike Ferree**, Vice President of Southern Ethanol located in Salida, CO; **Tim Weston** of TVA, incoming Vice-Chairman of the Council and session moderator; and **Gerald Valgora**, President of Roll Form Group of Toronto, Canada.



The 2006 Tenn-Tom Development Opportunities Conference certainly measured up to the reputation of previous conferences as one on the most informative waterway-related meetings held each year. This year's opening session of keynote speakers was never more prestigious. Those speaking were (L to R) **Skila Harris**, Tennessee Valley Authority Director; **U.S. Congressman Roger Wicker**

(R-MS); **Nick Ardillo**, Tenn-Tom Authority Vice-Chairman and session moderators; Speaker of the Alabama House of Representatives, **Seth Hammett**; the Authority's Administrator, **Thomas Griffith**; and, the Commander of the U.S. Army Corps of Engineers, **Lt. General Carl Strock**.



It has been a tradition each year to honor those individuals who have attended every Development Opportunities Conference since the first one was held in Mobile in 1983. For the past several years, two individuals have had that distinction. Shown here accepting a crystal memento in recognition of their perfect attendance is **Ron Coles** (L) with Hanson Professional Services of Nashville, TN and **George Crawford** of the Golden Triangle Planning and Development District in Starkville, MS.



The tow shown above is another example of the Tenn-Tom becoming the preferred route to ship high valued but low tonnage products to distant locations. This machinery manufactured by McAbee Construction, Inc. in Tuscaloosa, AL made its way through Fulton Lock on

September 16, en route to a plastics manufacturer in Marietta, OH. At nearly 52 ft. tall, there is no other way to transport such freight. According to McAbee, modular construction of this type is typically 30% cheaper than conventional site-build projects. *(photo by Crafton Beene, Corps of Engineers.)*

• Barge Unloading Facility •

The Lowndes County Port Authority has applied for permits for three alternative sites along the west bank of the Tennessee-Tombigbee Waterway near mile 331 that are being considered for a barge unloading facility. This facility will be used by SeverCorr to unload scrap metal, which will be transported by truck to their mill near the Golden Triangle Airport. When the preferred site is approved, the port authority will likely contract the building and management of the off-loading facility to a private firm. It recently consummated the purchase of those lands from the Corps of Engineers.

• Yellow Creek Industry Ribbon Cutting •

Governor Haley Barbour and a large crowd of other dignitaries officially dedicated the new Skyline Steel Pipe Group facility located at Yellow Creek Port in Tishomingo County on August 22. Corporate headquarters for Skyline Steel is located in Parsippany, NJ. The state-of-the-art facility employs 40 workers and is the largest manufacturer of steel foundation products in North America. The Yellow Creek Port Authority Executive Director and chairman of the Tenn-Tom Council, **Eugene Bishop**, said they look forward to growing with Skyline Pipe Group and serving their shipping needs.

• Aurora Breaks Ground - Orion Hall •

In early July, Aurora Flight Sciences broke ground on a new facility that will be building the newest in high-tech surveillance systems, named the Orion Hall. This is a partnership project between Mississippi State University's Raspet Flight Sciences Laboratory and Aurora Flight Sciences. The \$3 million complex is near the Golden Triangle Regional Airport in Lowndes County. The unmanned aircraft are used for surveillance that is considered too dangerous for military personnel. **John Langford**, president of Aurora Flight Sciences, **U.S. Rep. Roger Wicker**, and **Doc Fogelsong**, MSU President was present for the groundbreaking ceremony.

• Bio-diesel Plant •

Sumter County, AL, is a proposed site for a new bio-diesel plant and possibly a future ethanol plant. Sumter County attorney **Drayton Pruitt**'s new company, Millennium Company will construct a bio-diesel facility on a 50 acre site at the port in Epes. The company later plans to move ethanol. The plant for the impoverished county could mean as many as 100 new jobs. Depending on the size of the plant, a new biodiesel plant can be built within 4 to 18 months.

Sentinel, Inc. of Huntsville has also expressed an interest in developing a biodiesel plant in the county. Sentinel is an environmental and industrial hygiene service company.

• Tri Rivers Hires New Director •

Tri Rivers Waterway Association has hired **Billy Houston** of Eufaula, AL as its new executive director. He is a retired bank president and was head of the Eufaula /

Barbour County Economic Development organization for 5 years and served two terms as city councilman. The association has moved its headquarters from Dothan to Eufaula. It will maintain a satellite office in Bainbridge GA, where former director, **Rebecca Martin**, will continue to be a consultant to the group." This is an exciting challenge and working with all supporters of our Tri Rivers community, I know we can accomplish the aims and goals of our organization", Houston said on his appointment.

• **News About Members** •

The following Council members were elected to leadership positions with the National Waterways Conference during its annual meeting in Portland, OR.

Fred Rickert of Amory, MS, Weyerhaeuser Corporation, first vice president; **William Satterfield** of Birmingham, AL, Balch & Bingham, LLP, continues on as secretary-counsel. New executive committee members include **Terah Huckabee**, Parker Towing Company, Inc., Tuscaloosa, AL. **Mark Homrigh**, Volunteer Barge and Transport of Nashville, TN will serve in the carrier category and **Scott Waring**, Garick Corporation will service in the shippers category.

Joe Higgins, CEO of the Columbus-Lowndes Development Link, received the National Rural Economic Development Association's top award at their annual meeting in San Antonio, September 7. Joe's accomplishments since he joined the LINK in 2003 include a long list of successful economic development projects securing approximately 2,500 jobs and \$2.6 billion in investments. Congratulations to Joe on this well deserved and distinguished honor.

Sheldon Day, the mayor of Thomasville, AL for the last 10 years, is very

proud of the steps his community has taken, through public and private investments, to secure future growth. Phase I and II of a downtown revitalization project have been completed, and they are looking to complete Phase III in the near future. Alabama Southern Community College is building a Community Education Center; a civic center plan is in the works; and, a new 180-acre medical/light industrial park that will soon be home to Southwest Alabama Medical Center. These are just a few of the projects that are taking place in this small, but progressive community.

Tennessee Valley Towing of Paducah, KY has announced it will operate under new management beginning July 6, 2006. **W.H. (Bill) Dyer** will no longer own or actively manage the company. **Mark Mayfield** will now represent TVT.

Jeffrey Rupp has resigned as Mayor of Columbus, MS to accept a position with Mississippi State University. He will serve as Director of Community and Government Affairs and report directly to MSU President, **Robert "Doc" Foglesong**.

• **Nuggets From DOC Presentations** •

- Current fleet size of 17,800 hopper barges is about same as in 1991 but about 800 short of those needed- **Tom Vorholt**, Ingram Barge.
- \$28.5M in Senate's 2007 spending bill for Tenn-Tom, including \$4M for mooring cells. Will not be available until enacted and approved by the President most likely after the elections- **Wynne Fuller**, Corps of Engineers
- Tenn-Tom annual shipments of as much as 1M tons of petroleum and .5M tons of dry cargo are not being correctly reported by carriers and thus not

counted in project performance measures.- **Chris Dager**, TVA

- Accidents with injuries are likely to occur nearly 500 times more for trucking and nearly 150 times more for rail than for barges- **Jim Kruse**- Texas Transportation Institute.
- There are too many river terminals competing for scarce revenues needed for operations and improvements- **Gene Taft**, Kinder Morgan.
- Trucking industry now sees the advantages of supporting waterway improvements, which increases their business- **Worth Hager**, NWC.
- Endangered Species Act has had little benefit, only 17 species have recovered from 1800 protected- **Jonathon Adler**, Case Western Reserve University.
- Barge rates have dramatically increased; e.g., 2003 rate from Chicago to New Orleans was \$8.00/ton, now \$25.00/ton- **Tom Vorholt**.

• **Council Membership Contest** •

Steve Alley, incoming chairman of the Council, last spring kicked off a drive to increase the membership of the 23-year old organization. To encourage members' participation, he announced the Council would reward the member who enlisted the most new members with a free weekend for two at the Grand Hotel in Point Clear, AL. The results of the contest were announced during the annual meeting in Tunica. **Eugene Bishop's** aggressive campaign paid off handsomely by garnering 6 new members to win the contest. Other members who were successful in getting

new members included: **Jim Loew**, **Richard Long** and **Fred Rickert**. The Council now has 217 members from 13 states that represent myriad interests in the Tenn-Tom.

• **Welcome New Members** •

We are pleased to welcome the following new members to the Council and look forward to working with them.

1. John Sawyer

Rivertrace, LLC
Iuka, MS

2. Brian Johnson

Amory Chips, Inc.
Amory, MS

3. Ray Hooper

PSP/Monotech
Iuka, MS

4. Rodney Lucas

Pickwick Pines Marina, Inc.
Iuka, MS

5. Mike Brown

Fite Building Company, Inc.
Iuka, MS

6. Allegra Brigham

4-County Electric Power Association
Columbus, MS

7. Marty Hall

Skyline Steel
Iuka, MS

This has been another good year for the Tennessee-Tombigbee Waterway and for the Council. The waterway is now in its 21st year of service, having opened in February 1985. If it were a human, it would be considered an adult and the waterway is showing signs of maturity. This past year some 1.5 billion ton-miles of commerce were transported on the waterway. These shippers enjoyed \$90M of annual savings in transportation costs. As we grow in a world economy, manufacturers realizing these reduced costs can be more competitive in the global marketplace.

As the waterway gets older, it becomes more important that the federal government continues to adequately fund maintenance and upkeep of the locks and the waterway itself as well as navigation safety features to accommodate additional usage.

With soaring costs to fight terrorism and now the billions of dollars needed to recover from last year's hurricanes, Congress is looking at ways to keep other domestic programs funded at restrictive levels. The Council's challenge is to keep funding levels for the waterway adequate is more important than ever.

Thanks to Senator Thad Cochran and the waterways other Senate supporters, the U.S. Senate recently approved a sizeable increase in funding for Tenn-Tom, above that recommended by the President and approved earlier by the U.S House for next fiscal year. The House and Senate Bills now go to conference to iron out some major differences in the two spending bills, including some controversial budget polices. These differences may prevent approval of a conference bill before the fiscal year begins and may have to be finally passed during an expected lame duck session after the November elections.

The Senate bill provides \$24.5 million for operation and maintenance of the waterway, which is the current level of funding. Also \$4 million were added to the Tenn-Tom O&M budget by the Senate to build mooring cells near Columbus to improve safety conditions during high water and better accommodate increased barge traffic. The bill also included \$2 million for payments to the States of Alabama and Mississippi to administer the Tenn-Tom Wildlife Mitigation Project.

The Senate, at the urging of most waterway support organizations, will continue to appropriate O&M funds to individual projects instead to allocating these funds to large watersheds areas as proposed by OMB and approved by the House. Lumping the funding for a

number of projects into watersheds or basin accounts would be most detrimental to Tenn-Tom and other projects that have strong congressional support. Waterway interests are encouraged to contact their senators and urge them to continue funding projects at specific levels and kill the watershed accounts approved by the House. Our congressional delegations need to hear a big "thank you" from you and the waterway interests for their continuing strong support for the Tenn-Tom.

The Council is a member of the Coalition of Alabama Waterways Association (CAWA), and has been actively involved in a major study to encourage greater use of our waterways to transport larger shares of the two-fold growth in commerce by the end of next decade. CAWA has engaged W. R. Coles & Associates of Nashville, a division of Hanson Professional Services, Inc., to conduct this study, the first phase of which is nearing completion. Proposed container-on barge service is an important element of the study.

With the Port of Mobile's new \$300-million container port and the trend for more shipments by containers projects, hopefully the Tenn-Tom will see an increase in container-on-barge shipping in the future.

Last year and this year have been banner years for industrial development in the waterway corridor. SeverCorr started construction in Lowndes County on a new \$880M steel mill. Skyline Steel has started production at its new plant at the Yellow Creek Port. This year's Council program includes Mr. Gerald Valgora with Roll Form Steel at Yellow Creek Port on how its new plant at Yellow Creek will impact the waterway. Also Mr. Mike Ferree with Southern Ethanol talked about their plans to build a \$139-million bio-refinery in Amory, Mississippi, on the Tenn-Tom. They plan to buy all of the corn available in Mississippi and expect to bring in 450,000 tons of corn from the mid-west. They will be shipping out 100,000 tons of ethanol fuel and 75,000 tons of dried products for livestock feed. They chose the site partly because of the availability of the Tenn-Tom.

Recreational activities have picked back up from a downturn after 9/11. This waterway feature has a very positive impact on many communities who actively pursue tourism dollars. The Tenn-Tom Tourism Association works with state and local tourism officials and marine operators, and promotes and markets the waterway's \$50M of modern recreation facilities along the waterway corridor. The Association responds to over 25,000 inquiries each year relating to recreation and tourism on the Tenn-Tom. The Delta Queen will be on the waterway four times this year and has nine scheduled stops in 2007.

FORTHCOMING EVENTS

April 26-27, 2007 • Warrior-Tombigbee Waterway Association Annual Meeting. Contact: Sheldon Morgan, 251.431.9055 or email warrriortom@aol.com

August 28-30, 2007 Tennessee-Tombigbee Waterway Development Opportunities Conference – Marriott's Grand Hotel, Point Clear, AL. Contact Agnes Zaiontz 662-328-3286 or azaiontz@tenntom.org

National Waterways Conference 2007 Annual Meeting: November 7-9, 2007 Meeting, Mobile, AL. contact: NWC 703. 243.4090 fax (703. 243.4155



**Tennessee-Tombigbee Waterway
Development Council
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**Marriott's Grand Hotel
August 28-30, 2007
Point Clear, AL**