



Tennessee-Tombigbee Waterway Development Council

NEWSLETTER

September 2007

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Council President Resigns

Thomas Griffith, administrator of the Tennessee-Tombigbee Waterway Development Authority and president of the Tennessee-Tombigbee Waterway Development Council announced that he is stepping down from these organizations effective October 31. His notice was given to Ken Wheeler of Paducah KY, vice-chairman of the Tenn-Tom Development Authority and to Steve Alley, chairman of the Tenn-Tom Waterway Development Council who lives in Ft. Mitchell, KY and is director of sales for the Ingram Barge Company.

Griffith told both of the organization leaders, "I have enjoyed the past 18 months, and the fact that it has passed so quickly has helped bring me to this decision. Time is passing rather fast, and somehow, the older we get, the faster it goes. There are some other things that I want to do while I still can." Griffith stated that, the Tenn-Tom has been a big part of my life. While serving as Mayor of Amory, the waterway construction began and was completed. I was able to see the Port of Amory completed during that time period. I am proud to have worked with the Weyerhaeuser Company to locate the first industry, a chip mill, on the newly completed waterway. Now I have had the opportunity to serve as the administrator of the Authority and president of the Council, which I appreciate very much. There are some outstanding people in the water transportation industry. I have known some of them for several years and some only over the past 18 months. It has been a pleasure for me to serve both organizations, and I am grateful to have had that opportunity.

Ken Wheeler stated that he regretted to see Tom leave the Tenn-Tom Authority. He has done a good job representing the Authority with the Washington delegation and the people in the four states that we represent. I want to wish him the best in retirement.

Steve Alley expressed his appreciation for the job that he has done. "Thomas has been a part of the Council since it was formed in 1985 and he has been a pleasure to work with during our recent annual Development Opportunities Conference in Point Clear Alabama. I want to thank him and wish Thomas the best in retirement plans."

Council Elects Officers

The annual membership meeting of the Tennessee-Tombigbee Waterway Development Council was held on Wednesday, August 29, 2007 at the Marriott Grand Hotel in Point Clear, Al. Chairman Steve Alley called the meeting to order.

Those members attending the annual meeting elected the following to the Board to serve a two-year term beginning in January 2008 are:

1. David Abbott, Nickjajack Port Authority, South Pittsburg, TN
2. Phillis Belcher, Greene County Industrial Board, Eutaw, AL
3. Kevin Malcolm, United Launch Alliance, Trinity, AL
4. Ken Canter, Paducah/McCracken County Riverport Authority, Paducah, KY
5. Wayne Parrish, Mississippi Department of Transportation, Jackson, Ms
6. Fred Hansard, Demopolis Yacht Basin, Demopolis, AL
7. John Hardy, Lowndes County Port Authority, Columbus, MS
8. Clif Hill, IPSCO Steel (Alabama), Inc., Axis, AL
9. Mark Sheppard, Alabama State Port Authority, Mobile, AL
10. Fred Rickert, Cooper Marine & Timberlands, Quintin, AL
11. David Stewart, H & E Equipment Services, Trussville, AL
12. Tim Weston, Tennessee Valley Authority, Tupelo, MS
13. Dean White, Gulf Caribe Maritime, Mobile, AL

In addition Sharon Kvak of Garick Corporation, Cleveland, OH was elected to fill the unexpired term of Scott Waring and Mr. Robert F. Pack, Sr., Tennessee Department of Transportation was elected to fill the unexpired term of Ms. Diane Davidson.

The Council's Board of Directors met following the membership meeting and elected the following officers for a one-year term beginning January 1, 2008:

Chairman – Mr. Steve Allen, Ingram Barge Company, Ft. Mitchell, KY
Vice Chairman – Mr. Tim Weston, Tennessee Valley Authority, Tupelo, MS
Treasurer – Mr. Fred Hansard, Demopolis Yacht Basin, Demopolis, AL
Secretary – Mr. Ken Canter, Port Director, Paducah/McCracken County Riverport Authority, Paducah, KY
Past Chairman – Mr. Eugene Bishop, Yellow Creek Port Authority, Iuka, MS

Members elected to serve on the executive committee for a one-year term are:

Mr. Ken Canter, Paducah/McCracken Riverport Authority, Paducah,
Mr. John Hardy, Lowndes County Port Authority, Columbus, MS
Mr. Charlie Haun, Parker Towing Company, Tuscaloosa, AL
Mr. Ronnie Pritchard, Ingram Materials Company, Nashville, TN

The Council members heard reports from Colonel Byron Jorns, Wynne Fuller and Rick Saucer of the Mobile District of the Corps of Engineers. This was Col. Jorns' first time to attend a Council meeting as the District's Commander after coming on board last July. He announced the Corps was prepared to start construction of the first mooring cells on the Tenn-Tom near Columbus as soon as the Congress provides the necessary funding which is expected in the next fiscal year. Capt. Ed Stanton of the U.S. Coast Guard, who became Commander of the Mobile Sector last May, gave a report on port security grants and the proposed TWIC program that will affect the waterways industry. Mississippi's top economic developer, Gray Swoope, executive director of the Mississippi Development Authority, provided some interesting insights about recruiting industrial development. Swoope led Mississippi's successful campaign to land the \$1.3 Billion Toyota plant that will build the company's Highlander SUV.

***Tenn-Tom Conference
A Big Success!***



About 350 waterway interests from 16 states attended the 25th Tenn-Tom Development Opportunities Conference sponsored by the Tennessee-Tombigbee Waterway Development Authority and the Tenn-Tom Council. The attendees enjoyed returning to the Grand Hotel Resort in Point Clear, AL that had been closed until this year because of flood damages caused by Katrina.



One of the Conference's informative sessions included an impressive panel of steel executives of companies that will greatly impact waterborne commerce for the Port of Mobile, the Tenn-Tom and connecting waterways. From Left to Right is Clif Hill, Regional Manager for Logistics, IPSCO Steel of Alabama, who moderated the panel; Ernst-Alfred Bernsdorf, Senior Vice-President, ThyssenKrupp Steel; Jim Scharner, Director of Transportation, The David J. Joseph Co.; John Correnti, President and CEO, SeverCorr; and, Nathan Fraser, Materials Handling Manager, NUCOR Steel. .

The Council heard Assistant Secretary of the Army John P. Woodley's during his keynote remarks at the conference that the Bush administration will propose new fees to help finance future improvements to the nation's inland waterway system. Several years ago the Congress enacted a very equitable arrangement of taxing waterways by paying 20 cents per gallon for fuel burned on the inland waterways. The user fee issue has now surfaced because the trust fund balance is being depleted and sufficient funds may likely not be available in the future to pay the required one-half of construction of planned waterway improvements. The administration has taken a tentative position that a lockage fee is more equitable and easier to collect than a fuel tax. A lockage fee in lieu of the current or even higher fuel taxes would be more deleterious to tributary waterways like the Tenn-Tom that have locks and could give those users of the lower Mississippi and other waterways that have no locks a free ride. The Waterways Users Board is strongly opposed to the proposed change and object to any increase in user fees until the Corps more efficiently uses those fees it is currently spending. The current tax of 20 cents per gallon generates about \$150-\$200 Million annually. Those

revenues have been paying for one-half of all the new construction costs of lock and dam projects for the last 20 years. In the past appropriations, constraints have helped build up a surplus of funds in the fuel tax trust fund. Now that the Corps of Engineers waterway construction program has accelerated the trust fund's surplus is quickly being depleted and the Administration is now concerned whether the waterways users can generate their half of the construction funds for projects in future years. The trust fund is predicted to run out of revenues by mid-year 2009 and is an issue that is likely to be addressed by Congress next session.

The Assistant Secretary also announced the White House has notified the Congress the President will likely veto the Water Resources Development Act as passed by the U.S. House and currently before the Senate. The administration is objecting to its price tag of \$23.2 Billion and the addition of many non-traditional projects and programs for the Corps of Engineers. (Editor's note: The Senate overwhelmingly passed the measure on September 25 by a vote of 81 to 12 and is now an enrolled bill)

Other speakers during the opening keynote session included Dr. John Christy, professor of atmospheric science at the University of Alabama-Huntsville, who gave a very provocative presentation on climate change; Brig. General Joseph Schroedel, Commander of the Corps' South Atlantic Division; and the Speaker of the Alabama House of Representatives, Seth Hammett, who welcomed the attendees and recounted the recent economic development successes his state has enjoyed because of water transportation.

The other sessions of the conference included informative reports on the prospects of container-on- barge shipments by John Hallmark with Osprey Lines and Brian Clark of the Mobile Container Terminal as well as from State Senators Roger Bedford (AL) and Jack Gordon (MS) on the economy of their respective states.

Copies of the presentations by some of these speakers can be found on the Tenn-Tom [our] website www.tenntom.org under news.

Industrial Development



From left, Dr. David Cole, Itawamba Community College president; Junichi Yoshikawa, chairman and CEO of Toyota Boshoku Worldwide; Governor Haley Barbour; and Nate Furuta, chairman and CEO of Toyota Boshoku America; pose after the big announcement was made that TBA would build its Mississippi plant in Itawamba County.

Toyota Boshoku Worldwide (TBA) announced on August 29 that it would build a 341,000-square-foot facility in Itawamba County, MS just south of Highway 78. The company has committed to employing 500 people during Phase 1 of its development; making it the largest manufacturing employer in Itawamba County. The plant will be dedicated solely to supplying the Toyota plant under construction about 24 miles away northwest of Tupelo with seats, door panels and carpet for its Highlander vehicle.

Berg Spiral Pipe

Berg Spiral Pipe Corporation will build a new plant in Mobile on the former site of International Paper Company's paper mill. The pipe company bought the property from the Alabama State Port Authority.

The new \$75 million plant in north Mobile County will create between 100 and 150 full time jobs. Hiring of management and upper level engineering positions is expected to start later this year.

The facility will manufacture large diameter steel pipe, also known as spiral pipe, which is used by the oil and gas industry.



Lowndes County Port Barge Facility

Construction continues on a barge terminal at about Mile 330 on the west bank of the Tenn-Tom Waterway near Columbus that will serve SeverCorr Steel. Kinder Morgan Terminals has contracted with the steel company to build and operate the terminal to handle incoming raw materials as well as outgoing shipments of steel coils. The facility should be operational early next year.

Ershigs, Inc., luka, MS



Photo courtesy of Waterways Journal

Sections of a stack liner destined for a power plant on the Ohio River wait shipment in barges at Yellow Creek Port in luka, MS. Fabricated by Ershigs, Inc., a leading manufacturer of industrial fiberglass reinforced plastic, the liners measure from 15 to 45 feet in diameter, sometimes necessitating five barges per stack liner. Ershigs, headquartered in Bellingham, WA, developed the site on the Tenn-Tom Waterway to facilitate the shipping of stack liners and duct systems to the power generation industry in the nation's heartland. According to a company spokesman, the luka plant access to the Tenn-Tom Waterway enables the company to barge the stack liners to the electric utility at considerable savings in costs...

CKS Energy, Inc. Amory, MS



Kinder Morgan, the materials handling company that leases the Amory port, loaded a shipment of wood fuel pellets onto LASH barges recently headed overseas to Rotterdam in the Netherlands. It was the first international shipment to originate from Amory.

These barges will be towed to New Orleans and then lifted aboard a “mother” vessel for delivery to Rotterdam. The wood pellets are being produced by CKS Energy Inc. in Amory. They are used as an energy source in homes and businesses, primarily in Europe, and are made from recycled wood waste.

Noxubee County, MS Economic Development Alliance

Noxubee County officials have formed an Economic Development Alliance and have named Brian Wilson executive director. Brian is a former legislative assistant for U. S. Senator Trent Lott and has served as the county’s government relations consultant and Washington liaison. The Alliance is a public-private partnership dedicated to promoting economic and community development. Earlier this year, the county under the leadership of Brian was successful in landing Koch Foods, a food processing operation that will employ 400 workers. Koch Foods is the 4th largest poultry producer in the Nation. Although its new plant in Noxubee County will not open for another 4 months, the company is already making plans to expand its production.

Marine Related Growth Activities in Paducah

Western Rivers Boat Management, Inc. has announced the relocation of its new corporate headquarters from Ash Flat, Ark, to Paducah, KY. The company operates 27 towboats and harbor tugs, towing barges that carry a variety of commodities along the inland waterway system. The company will invest \$2 million and within two years will employ 33 people.

Hunter Marine Transport, Inc. had announced earlier this year that it will expand its Paducah operations and build a new 7,000-square-foot office space, with 10,000 square feet of warehouse and shop complex space. They will invest \$1.5 million in the expansion which should be completed by the end of the year. The company offers dry bulk transfer and storage, barge fleet and harbor services in the Nashville, Tenn. area.

Alabama Sturgeon

On September 14, the Alabama-Tombigbee Rivers Coalition filed a petition in the U. S. Supreme Court contending the federal government overstepped its powers by listing the so-called Alabama sturgeon as an endangered species, a decision that is in violation of the Commerce Clause of the U. S. Constitution. Given the importance of this case and its possible legal precedents, the

Pacific Legal Foundation has joined the coalition which is comprised of waterways interests within this region, including the Tenn-Tom Authority.

In the petition, the plaintiffs argues that the U. S. Fish & Wildlife Service cannot list the sturgeon as endangered through the federal government's power to regulate interstate commerce because the fish is located just in Alabama and has no economic or commercial value.

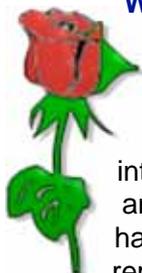
FWS seeks to restore Tennessee River diversity

The U. S. Fish and Wildlife Service have announced it will attempt to restore 21 threatened and endangered species to the Tennessee River system. The reintroduction of 15 mussel species -- with names like the Appalachian monkeyface pearlymussel, the orange-foot pimpleback pearlymussel and the fine-rayed pigtoe -- along with a species of river snail and five fish represents a significant effort on the part of the federal government to restore what was once one of the nation's richest wildlife habitats. "This is one way we can try to give these species a chance after losing so much habitat due to impoundments and other man-made disturbances," Sam Hamilton, FWS's Southeast regional director, said in a statement.

While agency officials have said the reintroduced species would be classified as "nonessential experimental populations," a less stringent protective status than that afforded other more established populations it remains to be seen how this federal program may impact commercial navigation, hydropower, and other economic development benefits of these affected waters. The goal of the program, according to the agency, is to recover the species to the point where they can be removed from federal protection under the Endangered Species Act.

Sympathy

Worth Hager, former president of the National Waterways Conference passed away on August 10th at her home in Alexandria, VA. She was 51 years old and died in her sleep apparently as the result of a heart attack.



Worth spent more than 20 years lobbying for the waterway industry and other allied interests in Washington. She spent several years with the National Waterways Conference and became its president in 2003 when Harry Cook retired. Prior her career with NWC she had worked as a staff assistant for a North Carolina congressman and as a Washington representative for the U. S. dredging industry. She resigned from NWC last June and was planning to return to the lobbying business at the time of her death. Worth was buried in Asheboro, NC, her hometown and is survived by her husband, Peter Gatti, Jr.

News About Members

TVA Names Tim Weston Manager of Field Operations

TVA has appointed Council member and vice-chairman, Tim Weston as manager of Regional Development/Field Operations to oversee all of TVA's economic development field operations throughout TVA's service region. Tim will supervise seven economic development field offices and is responsible for planning all aspects of program delivery for the field offices. He will work cooperatively with strategic regional, state and local partners to recruit new businesses, support existing businesses and industries, help communities be prepared for growth, and provide services to help communities improve the regional economy through quality jobs and investments.

TVA's service region includes nearly all of Tennessee and portions of Alabama, Georgia, Kentucky, Mississippi, North Carolina and Virginia.

Prior to working at TVA, Tim was executive director of the Itawamba County Development Council in Fulton, MS. He led ICDC for seven years.

Ron Coles Appointed to PIANC Commission



Ron Coles was recently appointed as the alternate U. S. representative for the Permanent International Association of Navigation Congress' Inland Navigational Commission.

Ron is vice president of Hanson Professional Services, Inc. and has served in numerous positions on the Tenn-Tom Waterway Council Board. He also serves on the board of directors for the Inland Rivers, Ports and Terminals, Inc. is an elected official of the National Waterways Conference, Inc.; and was named to the National Academy of Sciences, Transportation and Research Board's ports and waterways committee.

Wheeler Honored By Rivers Hall of Fame

Kenneth Wheeler of Paducah, KY will receive the National Rivers Hall of Fame's prestigious Achievement Award at the Waterways Council's annual meeting in Houston, TX on October 1. The Rivers Hall of Fame will recognize Ken's nearly 50 years in the maritime business. He began his distinguished career in 1956 with Ingalls Shipbuilding in Pascagoula, MS and when he retired in 1998 he was vice-president-maintenance for Midland Enterprises. Ken is Governor Ernie Fletcher's alternate to the Tenn-Tom Waterway Authority and currently serves as vice-chairman of the 4-state waterway compact.

Network Appalachia

The Appalachian Regional Commission has begun a major transportation/trade initiative for its 13-state region called Network Appalachia. This is a strategic effort aimed at helping link businesses, communities, and the people of this region to the global marketplace. It will evaluate existing and emerging trade routes and determine ways to capitalize on the investment made in ARC's nearly 3100-mile Appalachian Development Highway System with other transportation assets, including its inland ports and waterways, and determine how a network of inland logistic/distribution hubs can help the region's deepwater ports compete and grow . Network Appalachia will be guided by an ARC study committee representing economic development, transportation, and international trade interests from the 13-state region. Jim Loew, Executive Director of the Florence /Lauderdale County, AL Port Authority and Don Waldon, former Tenn-Tom Authority administrator and Council president, have been selected to serve on this committee. Its first meeting is scheduled in Washington on October 30-31. The initiative is expected to be completed in about 12 to 18 months.

Welcome New Members

Dr. Liam Leightley
MWRRI
Mississippi State, MS

Mr. Bill Ramsey
Riverside Industries, LLC
Chattanooga, TN

Mr. Jim Scharner
The David J. Joseph Company
Cincinnati, OH

Mr. Perry Studstill
Oil Recovery Co., Inc.
Mobile, AL

FORTHCOMING EVENTS

October 15-16, 2007 • Tennessee River Valley Association Annual Meeting. Clarion Inn & Suits Hotel, Gatlinburg, TN. Contact: TRVA 256.355.4660 or email trvassoc@hiwaay.net

October 29 – 31, 2007 • Alabama Mississippi Rural Tourism Conference, Four Points by Sheraton, Tuscaloosa, AL. For more information contact 800.457.9739 or azaiontz@tenntom.org

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

August 26 – 28, 2008 • Tennessee-Tombigbee Waterway Development Opportunities Conference, Marriott's Grand Hotel, Point Clear, AL. For more information contact: Agnes Zaiontz 662.328.3286 or azaiontz@tenntom.org

