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## Administration Presents FY 2009 Budget Request; AWO Objects to Proposed Lockage Fee

On February 4, the Bush administration made its budget request for the Fiscal Year 2009, which begins on October 1, 2008. The document includes the White House recommendations for funding for all of the departments and agencies of the Executive Branch. As part of the request for the Civil Works program of the U.S. Army Corps of Engineers, the budget document indicates that the administration will be proposing to phase out the inland waterways fuel tax and replace it with a “lockage fee” that will raise substantially more revenue. The administration gave similar indications when it submitted its FY2008 budget last year, but the proposal was never made public.

Although the specifics of the proposal were not released with this year’s budget request, the Corps press release on the budget noted that “For FY09, the administration proposes to collect lockage-based user fees for commercial barges on the inland waterways to address the declining balance in the Inland Waterways Trust Fund, and to phase out the existing diesel fuel tax for these waterways. Enacting the legislation will provide the revenue needed to avoid depleting the trust fund by the end of calendar year 2008, and support ongoing

and future inland waterways projects. The proposal would ensure that the commercial users of the Corps locks continue to cover their share of project costs, which is financed from the Inland Waterways Trust Fund. The amount of the user fee would be tied to the level of spending for inland waterways construction, replacement, expansion and rehabilitation work.”

Commercial vessel operators on the inland waterways system pay a fuel tax of 20 cents per gallon. This fuel tax raises about \$90 million per year, which is placed in the Inland Waterways Trust Fund (IWTF) and used to pay half the cost of new capital construction projects and major rehabilitation on the inland waterways system. According to the limited information in the budget document, the lockage fee would raise \$140 million in FY2009, with increases through FY2012, and “automatic” adjustments thereafter based on spending from the IWTF.

In anticipation of this user tax proposal in the administration’s budget, AWO has been working with other waterways groups to coordinate opposition to such a proposal. The lockage fee proposal would replace a uniform and fair revenue system, the fuel tax, under which all users



*(continued on page 2)*



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## Administration Presents FY 2009 Budget Request

(continued from page 1)

of the inland waterways pay a share of the costs of the inland system based on the amount of fuel that they consume. However, under the lockage fee proposal, some users who must transit a number of locks would pay a disproportionate share of the costs of the system, while other users who benefit from the traffic that flows on the entire system might end up paying nothing at all because their vessels do not actually go through a lock.

Also, the administration's proposal comes at a time when the system for constructing new lock and dam projects is not working well. While the fuel taxes are being fully and efficiently paid, raising more than a billion dollars since the creation of the IWTF, the funds are not being spent efficiently or effectively and projects are often delayed, resulting in escalating costs. Navigation projects that should be completed in six to ten years may take 20 years or more, and projects that should have cost less than \$1 billion now cost \$2 billion or more. As a result, industry has not been getting the "bang for the buck" that was expected when the trust fund system was created.

AWO and other waterways users propose that the entire system for planning, authorizing and funding inland waterways projects should be carefully examined and made more efficient and effective before any consideration is given to increasing revenues. Raising revenues before addressing the inefficiencies of the funding system will simply result in additional money being spent wastefully while needed projects are delayed and costs continue to escalate. AWO sent a media release on this subject to the trade press on February 8, which is attached to this newsletter.

The budget request also proposes additional emergency funding of \$5.7 billion that would reduce the risk of storm damage in the greater New Orleans area. According to the Corps, the proposal would "authorize the works in greater New Orleans ... as a single project, to be constructed with

the state as cost-sharing partner, and subsequently maintained and operated by the state."

For more information on the budget request, please contact Doug Scheffler at (703) 841-9300, extension 264, or [dscheffler@vesselalliance.com](mailto:dscheffler@vesselalliance.com).

### 2008 AWO Letter Sponsorships Available

AWO is now accepting sponsorship applications for the 2008 AWO Letter. Each great advertising opportunity costs \$500, which includes a front-page "sponsorship block" featuring your company's name, location, logo, and Web site address.

If you are interested in securing a sponsorship, please contact Mary McCarthy at (703) 841-9300, extension 254, or via email at [mmccarthy@vesselalliance.com](mailto:mmccarthy@vesselalliance.com).



### TWIC ENROLLMENT UPDATE

TWIC enrollment has begun/will begin at the following ports:

- **January 31:** Vicksburg, MS; Muskegon, MI; and, Miami, FL
- **February 6:** Louisville, KY; Ashtabula, OH; and, Everett, WA
- **February 8:** Port Everglades, FL; Nashville, TN; and, Oswego, NY
- **February 13:** LaPlata, MD, and Portland, OR
- **February 20:** Lorain, OH
- **February 21:** Sault St. Marie, MI

For the complete up-to-date TWIC Quarterly Deployment Plan, please click [here](#).

**TWIC ROLLOUT CONTINUES**

**Stakeholders Discuss Implementation Challenges with TSA and Coast Guard**

The Transportation Worker Identification Credential (TWIC) Stakeholder Communication Committee (TSCC) met on February 5 to discuss the challenges being faced as the Transportation Security Administration (TSA) continues the TWIC rollout. During the meeting, TSA shared some statistics from 62 major TWIC enrollment centers that have become operational since the end of October 2007. Based on the metrics from these ports for the week of January 25, the average enrollment time remains relatively low at 10.5 minutes, but the time from enrollment to card issuance has increased substantially and is now running six to eight weeks.

TSA and the Coast Guard acknowledged that there continues to be some delays in the processing of the TWIC cards and said that the increased processing time is the result of a higher volume of applicants, which is creating pressure on the system for notifying applicants that their cards are ready for pickup.

TSA discussed some of the issues addressed in the January 8 TSCC meeting that the agency has been working to improve. They are beginning to see improvements in turn-around times in those ports utilizing mobile enrollment centers. Several mobile units were relocated from ports where they were underutilized to take some of the pressure off the more highly-used enrollment centers, especially on the Gulf Coast.


The Coast Guard was again questioned about the possible extension of the September 25, 2008, deadline for affected mariners to obtain a TWIC. The Coast Guard responded that the agency is closely monitoring the enrollment process and does not have any current plans to extend the

deadline. As of January 29, approximately 69,000 individuals had completed the enrollment process, a fraction of the estimated 750,000 to 1.5 million who will be required to obtain a TWIC. Some 26,000 cards had been printed, and 14,000 cards had been picked up and activated.



TSA also released statistics on appeals and waivers. As of January 27, 933 enrollees had received initial disqualification letters from the agency. Of these, 455 individuals appealed the decision (on the basis that the initial determination was made in error), and 333 appeals had been granted. Sixteen enrollees had requested waivers, acknowledging that they had committed a disqualifying offense but requesting reconsideration. No decision on any of the waiver requests has been made.

TSA announced that several process improvements requested by stakeholders were underway, including: the ability to make appointments online for card pickup and activation (which began in February); a self-service Web site to check on the status of a TWIC (available at [www.twicinformation.com/twicinfo](http://www.twicinformation.com/twicinfo)); and, a revised disclosure form designed to be easier for enrollees to understand (pending).

The next TSCC meeting will be held on March 4, 2008. To share your TWIC enrollment experience (positive or negative), please contact Jennifer Carpenter or Krista Reddington at (703) 841-9300, extension 260 or 251 respectively, or via email at [jcarpenter@vesselalliance.com](mailto:jcarpenter@vesselalliance.com) or [kreddington@vesselalliance.com](mailto:kreddington@vesselalliance.com). Member concerns will be shared (anonymously) with TSA, Coast Guard and Lockheed Martin officials, and agency responses will be reported in future editions of the *AWO Letter*. 

**Important Dates and Reminders**

*..... at a glance*

*For more information, please contact Hermoine Wellman at (703) 841-9300, extension 291, unless otherwise noted.*

**March 26-27, 2008:**

Interregion Safety Committee Meeting, Nashville, TN.

**April 16-18, 2008:**

AWO Spring Convention, Arlington, VA.

## Reorganization of Mariner Licensing and Documentation Program Moves Forward

The Coast Guard continues to move forward with the reorganization of its mariner licensing and documentation (MLD) program and the transfer of credential evaluation and issuance functions formerly performed by the 17 Regional Examination Centers (RECs) to the National Maritime Center (NMC) in Martinsburg, WV. REC Toledo, OH, and REC St. Louis, MO, began transferring their caseloads to the NMC on February 4. Caseloads from REC Anchorage, AK; REC Baltimore, MD; REC Juneau, AK; and, REC New Orleans, LA, have already been transferred to the NMC, and all 17 RECs are scheduled

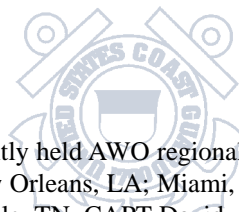
to complete the transition process by the end of 2008.

Under the MLD program restructuring plan, mariners will still be able to submit their applications at one of the 17 Regional Examination Centers, where on-site personnel will assist mariners in ensuring that their application is ready to be evaluated. Completed application packages will be sent to the NMC for evaluation, and the NMC will then print the credential and send it to the mariner.

As the transition continues, the NMC is also undergoing some organizational changes. The new organizational chart can be found [here](#).

During the recently held AWO regional meetings in New Orleans, LA; Miami, FL; and, Nashville, TN, CAPT David Stalfort and CDR Craig Swirbliss of the National Maritime Center gave a presentation to AWO members outlining the changes in the Mariner Licensing and Documentation program. The presentation can be found [here](#).

For more information on the progress of the NMC/REC restructuring effort, visit the NMC Web site at [www.uscg.mil/STCW/wnmc.htm](http://www.uscg.mil/STCW/wnmc.htm) or contact Jennifer Carpenter or Krista Reddington at (703) 841-9300, extensions 260 or 251, respectively. 🌐

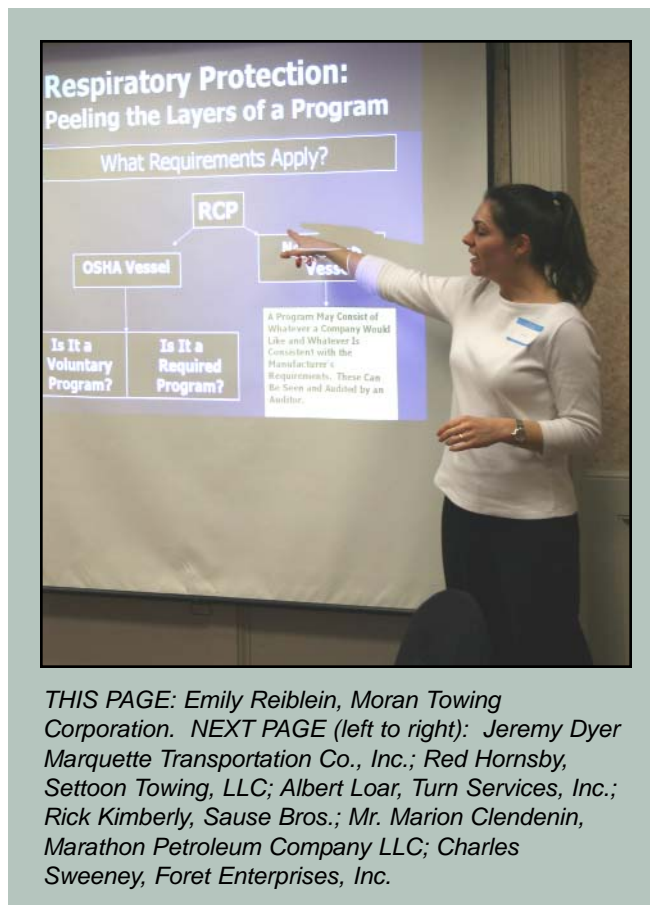


## LUST Tax Refunds Authorized

The Tax Technical Corrections Act of 2007, signed into law on December 29, 2007, contains a provision that permits a refund for the double-payment of the Leaking Underground Storage Tank (LUST) tax. AWO has learned that the IRS will send a letter out around mid-February to the filers of Form 720 on how to apply for this refund. AWO also was advised that filers should start collecting their information for the period of October 1, 2005, to December 29, 2007, now in order to expedite the refund process. Please note that the \$0.001 LUST tax itself is still in effect.

The double-payment started with the passage of the Energy Policy Act of 2005. Provisions of the act extended the LUST tax, and imposed collection of the tax on some inland towing companies both at the purchase of fuel from the distributor and upon filing of IRS Form 720. The IRS interpreted the Act to prohibit affected towing companies from applying for refunds. Since November 2005 AWO staff has been working with the Senate Finance Committee staff to correct this double-payment situation through a technical amendment to the IRS code. The provision that AWO sought was finally adopted as part of the Tax Technical Corrections Act of 2007.

If you have any questions, please contact Doug Scheffler, Government Affairs Associate, at (703) 841-9300, extension 264, or via email at [dscheffler@vesselalliance.com](mailto:dscheffler@vesselalliance.com). 🌐



THIS PAGE: Emily Reiblein, Moran Towing Corporation. NEXT PAGE (left to right): Jeremy Dyer Marquette Transportation Co., Inc.; Red Hornsby, Settoon Towing, LLC; Albert Loar, Turn Services, Inc.; Rick Kimberly, Sause Bros.; Mr. Marion Clendenin, Marathon Petroleum Company LLC; Charles Sweeney, Foret Enterprises, Inc.

## AWO Holds RCP Auditor Training

On January 29-31, AWO held its annual new auditor and auditor recertification training in Arlington, VA. Also attending the training were 16 representatives from AWO member companies interested in becoming more familiar with the Responsible Carrier Program (RCP) and the audit process. Five of these members are also in various stages of applying to become AWO-certified auditors. Members and prospective auditors began their training with a one-day orientation to AWO and the Responsible Carrier Program. They were introduced to the “value-added” philosophy of the Responsible Carrier Program audit that emphasizes the requirement that AWO-certified auditors provide companies being audited with value beyond simply providing a list of non-conformities. Members were also trained in the history and development of the RCP itself, coaching and auditing skills, and the use of the Management and Vessel Checklists, essential tools of the RCP audit. The first day’s training ended with a written test consisting of

multiple choice, true-false and fill-in questions.

The next morning, AWO member representatives were joined by five recertifying auditors from all over the United States who attended the additional day and a half of intense training required to renew their certifications to conduct AWO-certified RCP audits. The recertification training curriculum stressed auditing skills necessary to evaluate not only the existence but the adequacy of AWO member’s RCP policies and procedures. Additional training was also delivered on the audit process providing auditors with techniques to effectively conduct the audit in a systematic manner that ensures an in-depth examination of a company’s safety management system. Throughout the training auditors were reminded of the absolute need to maintain trust and credibility by always performing AWO-certified audits in an unbiased professional manner. The first day of class ended with a homework assignment that required trainees to write an essay



detailing the essential elements of an Internal Audit program.

The second day’s training included a homework review and concentrated on audit best practices. The day-and-a-half recertification training ended with a difficult 75 question multiple choice, true-false and fill-in question test designed to ensure that AWO-certified auditors are among the most qualified auditors practicing today.

Training throughout the three days was delivered by various members of the Accreditation Board including: Rick Kimberly, Sause Bros. Ocean Towing; Chairman John Patterson, Ingram Barge Company; Emily Reiblein, Moran Towing Company; and, Joseph Tyson, Canal Barge Company.

At the conclusion of the RCP auditor recertification training, the American Chemistry Council (ACC) conducted a three-hour training session for AWO-certified auditors wishing to become certified to perform Responsible Care audits for members of AWO that are also Responsible Care Partners with the ACC. Joint audits require the completion of an additional checklist concerned mostly with stakeholder notification and dialogue.

If you have any questions about Auditor Training or joint Responsible Carrier Program/Responsible Care Partner audits, please contact Bob Clinton at (703) 841-9300, extension 254, or [bclinton@vesselalliance.com](mailto:bclinton@vesselalliance.com).

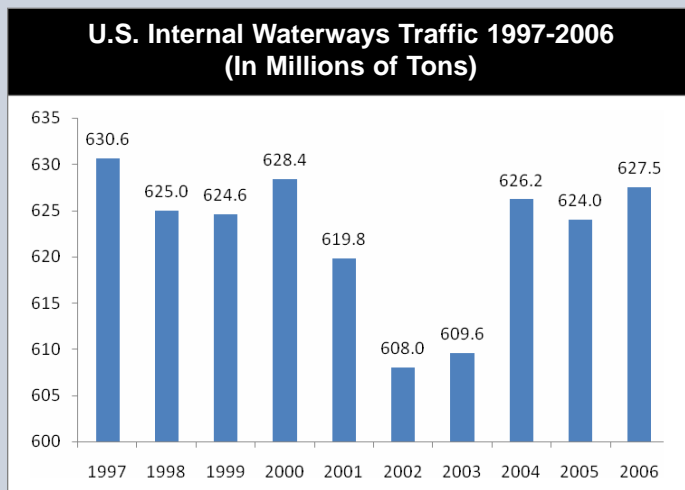


# DID YOU KNOW?

## INTERNAL DOMESTIC WATERBORNE TRAFFIC REBOUNDED IN 2006

Traffic on the internal waterways of the U.S. was 627.5 million tons in 2006, according to preliminary data from the U.S. Army Corps of Engineers. This is an increase of 0.6 percent over 2005, and as the chart below shows, is a rebound from 2005 and the disruption caused by Hurricanes Katrina and Rita. The commodity groups that accounted for most of the upswing were petroleum (up from 153.6 million tons to 159.5 million tons) and food and farm products (up from 70.9 million tons to 73.6 million tons).

Source: U.S. Army Corps of Engineers. For more information, please contact Doug Scheffler, Government Affairs Associate, at (703) 841-9300, extension 264, or [dscheffler@vesselalliance.com](mailto:dscheffler@vesselalliance.com).



### Atlantic Region

## Hearing Held on Massachusetts Port Safety Bill, AWO Submits Comments

On January 30, the Massachusetts Joint Committee on Public Safety and Homeland Security held a hearing on House Bill 2404, An Act Relative to the Safety of the Ports of the Commonwealth, that proposes regulating harbor transits, vessels and escort tugs in Massachusetts ports. AWO submitted comments to the committee expressing concern that the bill is unconstitutional because it touches upon areas of regulation reserved for the federal government. AWO also pointed out that, because a U.S. District Court is in the process of hearing a case about state legislation with similar subject matter to H.B. 2404, the committee should wait until the case is resolved before deciding whether to consider the bill.

At the hearing, no one testified about H.B. 2404, and the bill has not moved due to a similar, but more contentious bill heard at the same time regarding the regulation of liquefied natural gas tanker import terminals. However, AWO will continue to monitor H.B. 2404. For more information, please contact Chris Coakley or Mary McCarthy at (703) 841-9300, extensions 297 or 254, respectively, or via email at [ccoakley@vesselalliance.com](mailto:ccoakley@vesselalliance.com) or [mmccarthy@vesselalliance.com](mailto:mmccarthy@vesselalliance.com).

### Pacific Region

## Washington State Oil Transfer Bill Pulled from Committee

As reported in January 25 *AWO Letter*, a bill revising current oil transfer regulations was introduced in the Washington State legislature on January 16 that would possibly result in a greater restriction on transfers in state waters. However, because the oil spill division of the state Department of Ecology (DOE) was concerned that the

bill would unnecessarily change the existing regulations and the bill sponsor heard a number of concerns from the industry, the bill was pulled from the House Committee on Environment and Parks. The bill will probably not be brought up again this year.

However, if the bill is reintroduced, AWO will continue its work with the

DOE as well as the legislative and committee staff to resolve the towing industry's concerns with it. For more information, please contact Jason Lewis at (206) 245-5758 or [jlewis@vesselalliance.com](mailto:jlewis@vesselalliance.com), or Mary McCarthy at (703) 841-9300, extension 254, or [mmccarthy@vesselalliance.com](mailto:mmccarthy@vesselalliance.com).

Atlantic Region**Atlantic Region Annual Meeting Held in Miami*****Members Approve Priorities and Elect Regional Directors***

On January 25, the Atlantic Region held its 2008 Annual Meeting at the Marriot Biscayne Bay Hotel in Miami, FL. The meeting provided the membership with updates on key issues such as Coast Guard licensing, TWIC interim work authority and how AWO has reorganized to address national and state issues facing the industry. Members voted to approve the 2008 national and regional priorities and elected a new slate of regional directors to the board. The keynote speaker for the meeting was RADM David Kunkel, Seventh Coast Guard District Commander, who addressed benefits of a cooperative approach to hurricane preparedness and the improvements underway to enhance the Coast Guard's focus on its marine safety program. A technical report on Coast Guard improvements to mariner licensing was presented by CDR Craig Swirbliss, Operations & Oversight Division of the National Maritime Center. To view the report, click [here](#).

Atlantic Region Chairman Chris Roehrig, Roehrig Maritime, LLC, opened the meeting by reviewing the strength of the Coast Guard-AWO Safety Partnership's regional arm, the Atlantic Regional Quality Steering Committee, and he highlighted the institutionalization of pre-hurricane planning and the cooperative approach to addressing operational issues in Cape Cod Canal as examples of RQSC success. As an exhibit of the benefits of partnership, there was a strong Coast Guard presence at the meeting, including Coast Guard Sector Miami Commander CAPT Karl Schultz and Seventh Coast Guard District Chief of Prevention CAPT Sue Englebert. Mr. Roehrig's report touched on the need for Atlantic Region members to meet with federal lawmakers as part of the AWO Grassroots Program in order to promote and protect the safety and effectiveness of their businesses. The Grassroots Program is an essential part of advocacy, but so is participation in the AWO Political Action Committee (PAC). Mr. Roehrig explained that financial donations to the PAC provide the association with the funds to express its support to Members of Congress who effectively represent industry interests.

The Atlantic Region was pleased to have in attendance the AWO Chairman of the Board Royce Wilken, American River Transportation, Co., who gave a report on the internal and external challenges at AWO. Mr. Wilken acknowledged that the transformation and transition within AWO will be complete when the new Southern Region Vice President comes on board, which should happen by the Spring Convention in April. He cited the external challenges

affecting the association and the efforts underway to address issues such as improved communication flow to and from the members; the need to have the membership engaged and informed on essential issues; and, the necessity for different sectors of the industry to collaborate and "stick together" in order to strengthen the entire industry.

AWO President & CEO Tom Allegretti presented a report on "Advocacy in 2008: A Large Agenda on Critical Issues" which was coupled with a review of the 2008 National Priorities by AWO Senior Vice President - National Advocacy Jennifer Carpenter. Mr. Allegretti invited member questions regarding the structural improvements that have taken place at AWO in the last year in order to enhance the association's focus on its advocacy mission, and Ms. Carpenter also took member questions related to the 2008 National Priorities, which were approved by the membership.

Chris Coakley, Atlantic Region Vice President, presented a regional report updating members on the 2007 priorities, including state issues in Massachusetts and New York, the ongoing work of the Atlantic RQSC, the goals for PAC participation and the need to increase member grassroots visits. (For a copy of Mr. Coakley's presentation, please click [here](#).) Members also discussed and voted to approve the 2008 Atlantic Region Priorities. As part of the discussion of 2008 priorities, Mr. Coakley highlighted the future challenges that face the region, including the need to influence state proposals attempting to regulate air emissions and manage ballast water ahead of more preferable federal regulations.

As part of association business, the membership considered the slate of proposed 2008 Board members from the Atlantic Region. The membership unanimously elected the following members to two-year terms on the Board: Jeff Parker, Allied Transportation Company, as Atlantic Region Chairman; Buckley McAllister, McAllister Towing and Transportation, as Atlantic Region Vice Chairman; Rick Iuliucci, The Vane Brothers Company; Brendan MacGillivray, Seaboats, Inc.; and, Richard Steady, Weeks Marine, Inc., to serve as Alternate.

Finally, as part of a member-led focus discussion, Atlantic Region Vice Chairman Jeff Parker facilitated a dialogue on the regional solutions underway to address the shortages of



*(continued on page 8)*

Atlantic Region

**Atlantic Region Annual Meeting Held in Miami**

*(continued from page 7)*

licensed crewmembers. The membership considered the status of the shortage in the Atlantic Region and the successful (or unsuccessful) respond that companies, academies, AWO and the Coast Guard have attempted in the last year.

Members agreed that a variety of company-specific approaches to the problem have begun to ameliorate the shortage, but industry efforts to facilitate a career-path up the housepipe and encourage academies to respond to personnel demands is still necessary. Members also discussed whether there are possible benefits to seeking government assistance. For more information on this issue or any aspect of the Atlantic Region meeting, please contact Chris Coakley at (703) 841-9300, extension 297, or [ccoakley@vesselalliance.com](mailto:ccoakley@vesselalliance.com). ❀



Midcontinent Office

**MRRIC Charter Completed  
*WRDA Requires Establishment by May 9***

After several months, a 39-member Missouri River basin stakeholder group completed, approved and forwarded a Charter for the Missouri River Recovery Implementation Committee (MRRIC) to John Paul Woodley, Assistant Secretary of the Army (Civil Works). The Water Resources Development Act of 2007 requires the Corps to establish MRRIC by May 9, 2008.

The Corps is expected to accept the charter as written. Members of all interested federal agencies, especially the Corps and the Department of Interior, provided input and legal advice throughout the process. The Northwest Division has indicated that they will endorse the Charter as presented to Secretary Woodley. The Corps must now complete government-to-government discussions with all impacted Native American Tribes before the Charter can be accepted. Since the Tribes were part of this process and also approved the Charter, the path forward should not delay the establishment of MRRIC.

The Charter includes provisions that will ensure navigation, agriculture and the lower basin states have effective input into the future management of the Missouri River. The Coalition to Protect the Missouri River (CPR) led the lower basin groups to ensure that the Charter included consensus decision-making; a satisfactory number of membership slots for navigation; and, a structure that has the features and openness of a committee formed under the Federal Advisory Committee Act (FACA).

AWO and CPR will monitor the process to ensure that the Charter is accepted as written. For more information or to see copy of the submitted Charter, please contact Lynn M. Muench at (314) 446-6474, or via email at [lmuench@vesselalliance.com](mailto:lmuench@vesselalliance.com). ❀

Southern Region

**IHNC to Be Repaired This Summer, Prior to MRGO Closure**



On February 6, the U.S. Army Corps of Engineers informed industry of the agency's plan to complete major rehabilitation work on the Inner Harbor Navigation Canal (IHNC) before the Mississippi River Gulf Outlet (MRGO) is permanently closed at the end of 2008. The funds for the repair and rehabilitation work, estimated at \$6 million, will be reprogrammed from other projects. The Corps will de-water the IHNC for repairs this summer with the exact date depending

on water levels. The Corps also committed to dredge the Baptiste Collette channel to provide passage for the towing industry during the estimated 45-60 day closure. To ensure that future unscheduled closures of the IHNC are as limited as possible, the Corps will also acquire critical replacement parts for the IHNC.

AWO will provide more details as they become available. For more information, please contact Lynn Muench at (314) 446-6474 or [lmuench@vesselalliance.com](mailto:lmuench@vesselalliance.com). ❀

Midcontinent Office

## Midwest and Ohio Valley Regions Hold Joint Annual Meeting

### *Highlights include Licensing and Coast Guard-Industry Relationship Discussions*

The Midwest and Ohio Valley regions held their joint annual meeting on January 31 in Nashville, TN. The meeting included the election of regional directors; a review of 2008 regional and national priorities; several presentations by the Coast Guard and the U.S. Army Corps of Engineers; and, a discussion on the Coast Guard-industry relationship. The continental breakfast was generously sponsored American Commercial Lines and the beverage service was kindly sponsored by James Marine, Inc./Tennessee Valley Towing; Jeppesen Marine; and, Ohio Valley Marine Service, Inc.

Ohio Valley Region Chairman Ted Waxler kicked off the meeting with a request to the members to become more engaged and active in all advocacy activities, especially grassroots. To provide a solid Congressional grassroots base, he encouraged everyone to attend the Sixth Annual Congressional "Barge-In" on April 16 in conjunction with the AWO Spring Convention.

Ohio Valley Region Vice Chairman David Sehrt presented the Ohio Valley region directors' slate. The nomination committee of David Sehrt, Ingram Barge Company; Deane Orr, CONSOL, Inc.; Peter Stephaich, Blue Danube Incorporated; and, Norb Whitlock, American Commercial Lines, nominated Ted Waxler, SCF Waxler Marine LLC; Barry Gipson, McNational, Inc.; Tom Erickson, Marquette Transportation, Inc.; Fred Nyhuis, Marathon Petroleum Company LLC; Cathy Shantz-Hammond, Inland Marine Service; and, as Alternate, C. Ronald James, James Marine, Inc.

Midwest Valley Region Chairman Bill Arnold also asked the membership to become more engaged with the advocacy of the association, especially through the AWO Political Action Committee (PAC) and fundraising events. He also asked the membership to contribute to the Coalition to Protect the Missouri River (CPR) fund to ensure reliable flows on the Missouri and Mississippi rivers.

Midwest Region Vice Chairman George Leavell presented the Midwest region directors' slate. The nomination committee of George Leavell, Wepfer Marine, Inc.; Lee Nelson, Upper River Services; and Gregg Thauvette, The Great Lakes Group, nominated Jim Garrett, AEP River Operations; Rich Kreider, Cargill Marine & Terminal; Mike Luhr, Luhr Bros., Inc.; and, James "Goat" Patterson, Osage Marine Service. The committee also nominated George Leavell for Midwest Region Chairman and Mike Luhr for Midwest Region Vice Chairman. The Midwest and Ohio Valley regions slates were approved without change and will be presented for final consideration at the AWO Spring Convention in April.

Coast Guard officials CAPT Tim Close, Chief, Western Rivers, and LCDR Dean Firing, Chief, Inspection and Investigation Branch, gave a brief update on the state of affairs with District Eight and District Nine, respectively; CAPT Mike Blair, Chief, Office of Operating and Environmental Standards, discussed the rulemaking process for the inspection regulation and the medical NVIC; and, CAPT Dave Stalfort, Commanding Officer, National Maritime Center (NMC), provided a complete update on the state and future of the NMC. Sector and District remarks were also provided by CAPT Sharon Richey, Sector Upper Mississippi; CAPT Bruce Jones, Sector Lake Michigan; CAPT Hung Nguyen, Sector Ohio Valley; COL Lewis Setliff, St. Louis District; and, LCDR Wayne Arguin, Sector Lower Mississippi.

The regional priorities were accepted as presented. The national priorities were fully vetted and accepted as presented. Priorities will be further vetted and discussed at the Executive Committee meeting in February and at the Board of Directors' meeting in April.

During the member-only session, the membership held a focus discussion on the state of the Coast Guard-industry relationship in the Eighth and Ninth districts.

The regional meeting packet and all the Power Point presentations can be found on the AWO Web site in the "Member's Only" Section after February 12.

The annual meeting reception held on January 30 was generously sponsored by Ingram Barge Company.

For more information, please contact Lynn M. Muench at (314) 446-6474 or [lmuench@vesselalliance.com](mailto:lmuench@vesselalliance.com).



If you receive a hard copy of the AWO *Letter* and need to know the exact Web addresses of the hyperlinks in any articles, please contact Mary McCarthy at (703) 841-9300, extension 254, or [mccarthy@vesselalliance.com](mailto:mccarthy@vesselalliance.com).